



UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

Department of Business Administration Management
Spring 2012

SO, DID YOU DEVELOP YOUR COMPETENCE?

**The influence of performance appraisals
on employees' competence development**

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Abstract

This study focuses on the qualitative aspect of employee's competence development that is of critical importance to both employee and organizational development. My study has shown that a) when employees were willing to develop and had a competent line manager, a proper performance appraisal process was executed, and that b) when a performance appraisal was well executed and followed up, then it had a positive effect on employee's competence. Hence, when performance appraisal was properly executed it influenced employees' competence positively. I would therefore conclude that performance appraisals hold great potential as a tool for employee development. Unfortunately, its application seems to be hampered by a lack of understanding of the tool itself as well as a lack of competence among those who use it. If organizations educate both line managers and employees on why and how to use performance appraisal, it will become a powerful tool for competence development.

Key words: performance appraisal, competence development, development plan, employee, line manager

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1 INTRODUCTION

1.1 Background

As a new recruit joining my former employer, the performance appraisal process was thoroughly discussed during my on boarding period. The performance appraisal is a review of employees' professional performances that can be carried out in different ways. The human resource manager clearly described that the company depended on formal performance appraisal in order to develop their employees. Over time I came to realize that the performance appraisal did not bring about the results it was supposed to deliver. In fact the performance appraisal meeting, and the associated development plan as agreed with my line manager, did not substantially contribute to competence development at all. One reason for this is that the line manager did not take it seriously; hence no goals or activities were identified for the coming year. Thus, the performance appraisal document became just another paper on the shelf for both my manager and myself.

1.2 Problem formulation

My experience is not an isolated event but seems to be part of a previously observed general problem (Latham and Wexley, 1994; Jönsson, 2004; Jerkedal, 2005; Coens and Jenkins, 2000 cited Bouskila-Yam and Kluger, 2011); Boxall and Purcell, 2011), where the use and effect of performance appraisal may not meet expectations and costs. Many employees have a bad experience from performance appraisal (Jönsson, 2004; Galfvensjö, 2006), as they do not experience a positive outcome (Latham and Wexley, 1994). Line managers carry out the performance appraisal meetings dutifully, as an order from the management, but do not necessarily understanding the purpose of the performance appraisal and where it shall lead (Latham and Wexley, 1994). Although the amount of the performance appraisal activities has increased over the past years, it is often unclear how to use the results in the organization (Jerkedal, 2005). The consequence is that the organization might discover that there is no actual need for an evaluation or, if the evaluation takes places, the results will be ineffectively used (Latham and Wexley, 1994; Jerkedal, 2005).

Despite these well-known weaknesses, the performance appraisal is still viewed as being of importance to employers because of its claimed usefulness. For instance, Keeping and Levy (2000 cited in Linna et al., 2012) highlight that one of the main purposes of the performance appraisal is to bring about employee development.

Generally, there is a common understanding among researchers that employees' competence contributes to organization's competitive advantage in the market (Kock, 2010). Some consider competence to be a commodity (Nilsson, Wallo, Rönnqvist and Davidson, 2011). Hansson (2005) argues it is a foundation for organizational development and hence of utmost importance. Since the performance appraisal is supposed to act as an important development tool for employees aligned with organizational goals, a relevant question thus is if the performance appraisal actually influences employees' competence development in areas like knowledge, skills and attitudes.

1.3 Aim of study

Companies see competence development and the impact of the performance appraisal as crucial, since competence tends to be attached to human beings instead of processes or machines (Engquist, 1990). Despite this, companies often fail to use the performance appraisal in an efficient manner. This observable contradiction, combined with my own experiences, has made me want to investigate the connection between the performance appraisal and competence development. Against this background I formulate the purpose of my study as follows:

The purpose of this study is to examine if the performance appraisal process influences the employee's competence development, as viewed by the line managers and the employees.

1.4 Research questions

In order to answer the aim of the study two conditions must be met. The first concerns the nature of the performance appraisal and thus must have been carried out. The second concerns the impact of the performance appraisal on the employees' competence development. Then, the specific research questions to be answered, derived from the expressed purpose of the study, are as follows:

- I) Has a performance appraisal been successfully carried out?
- II) Has competence development been achieved as a result from performance appraisal?

In order to answer these two research questions several performance appraisal conditions must be met, which I present in Table 1 in my analytical model. This model is also used as the main instrument for my analysis of the interviewees' responses to the questions asked.

My research will focus on the relationship between the two areas of performance appraisal and competence development i.e. if performance appraisal influences employees' competence development. To my knowledge such research has not been done before. Therefore, my research could be seen as explorative (Patel and Davidsson, 2003) since I have found no concrete theories or empirical studies presenting the effects of performance appraisal on competence development.

1.5 Abbreviations used in this study

The following abbreviations are used in this study here after:

- PA Performance Appraisal
- CD Competence Development
- BIP Bank Interview Person
- AIP Advertising agency Interview Person

1.6 Disposition

Chapter 1 – Introduction

The chapter starts with a background where my own experience on the problem area is discussed followed by problem formulation. Against this background, an aim of study is formulated, where research question are derived.

Chapter 2 – Theory

In this chapter previous theories are discussed, which is used as a foundation for my study to increase understanding. The chapter starts with giving an overview on PA and CD and finishing with a summary on previous research.

Chapter 3 – Method

The method chapter is the manual for my study. It discusses my analytical model for structuring and presenting my study in the empirical results, analysis and discussion chapters. The chapter finishes with method quality discussion.

Chapter 4 – Empirical results

In this chapter interviewees' answers cover PA and CD and the relationship between them. The chapter starts with presenting the results from the line manager and the employees at the bank, followed by the line manager and employees at the advertising agency.

Chapter 5 – Analysis and discussion of results

In this chapter the empirical results are analyzed in relationship with previous research from chapter 2. The chapter starts with analyzing the empirical results from the bank followed by the advertising agency. The chapter ends with a summary of the outcomes.

Chapter 6 – Conclusions and reflections

Against the background of the analytical results in chapter 5 this chapter I present my further reflections and conclusions in order to answer the research questions

2 THEORY

2.1 Performance Appraisal

2.1.1 Definitions of Performance Appraisal

According to Lindgren (2001), the PA is a recurring dialogue between the employee and the line manager. And to Engquist (1990), PA is a regular prepared discussion between the line manager and the employee to discuss organizational goals and means characterizing mutuality of common interest. Boxall and Purcell (2011) define the PA system as a formal method for planning and evaluating employee performance to discuss work goals and employee's achievements. Thus, Boxall and Purcell (2011) focus on PA as a tool for measuring employees' performance.

Engquist's (1990) and Lindgren (2001) suggest that PA is carried out as a dialogue between line manager and employee. In this study, I have defined PA as a recurring dialogue between the line manager and employee about employee's professional performance. I believe, as Jönsson (2004) pointed out, that the PA would not be regarded as a dialogue if only one of the parties prepared for the meeting. Then there is a high probability that the PA meeting would more likely to be asymmetric and to end up as a formal interrogation.

2.1.2 The purpose of Performance Appraisal

Boxall and Purcell (2011) consider the PA to be a meeting between an employee and the line manager implemented once a year. The PA follows a certain template for all the employees (Lindgren, 2001; Jönsson, 2004; Galfvensjö, 2006; Engquist, 1990; Ljungström, 2011). However, while it is discussed that PA, as a general template, should cover all employees, it should at the same time also be unique in a sense that it treats each employee individually (Ljungström, 2011). The PA meeting should aim for a discussion, rather than being a questionnaire session between the line manager and the employee, to achieve development (Jönsson, 2004). Engquist (1990) claims that the discussion throughout the PA meeting can help the line manager praise the

employee's achievements, which could lead to development.

The main topic discussed during the PA meeting between the line manager and the employee is the employee's needs for development and goals. The principal purpose of the meeting is to provide the employee with feedback on previous performance and to synchronize it with the organizational goals (Boxall and Purcell, 2011). This will help both parties formulate and establish a personal development plan (Galfvensjö, 2006; Latham and Latham, 2000 cited in Boxall and Purcell, 2011; Cederblom 1982; Gabris and Ihrke 2001; Pettijohn, Pettijohn and d'Amico, 2001 cited in Linna et al., 2012).

From a line manager's point of view the information extracted from the PA should result in deeper knowledge about the employee's working situation, which helps in identifying development needs (Jönsson, 2004). The PA should enable the line manager to develop closer contact with the employees and it should provide a forum for open dialogue to discuss goals for the coming period (Engquist, 1990; Lindgren, 2001; Jönsson, 2004). It also serves to unify the organization's and the employee's goals (Jönsson, 2004).

According to Jönsson (2004) and Ljungström (2011) both line manager and employee need to take the responsibility to plan and prepare carefully for the PA meeting to achieve quality. By preparing needs for development, a typical discussion should include goals and activities to achieve these goals (Jönsson, 2004). Since the PA meetings do not always contribute to a development plan, Engquist (1990) and Lindgren (2001) argue that it is important for employees to have space for maneuver for development to happen at a later occasion.

It is therefore important to keep the PA process alive and relevant. This is facilitated if there are frequent follow-ups on the PA goals. According to Jönsson (2004) the PA is often good but the problem is, according to the employees, the follow-up of the outcome. Likewise, Jerkedal (2005) has highlighted that the line manager usually lack the competence to use the results of the performance appraisal. Many times the PA

results do not meet expectations, and what was agreed in the PA meeting fizzles out due to lack of follow-up (Jönsson, 2004; Ljungström, 2011).

2.1.3 Known difficulties and weaknesses with Performance Appraisal

Jönsson (2004) argues that PA, since a long time, is viewed as a tool for employee and organizational development. So do Latham and Wexley (1994), who state that, “Performance appraisal systems are like seat belts. Most people believe they are necessary but they do not like to use them”. Besides, employees say that the PA are often not tailored made to fit each employee’s needs and line managers claim that PA does not leave a positive impact on employee’s change of behavior (Latham and Wexley, 1994). Furthermore, Latham, et al. (2007 cited in Boxall and Purcell, 2011) claim that the employees often associate the PA with disappointing outcomes.

According to Latham and Wexley (1994), the PA is often used unwillingly to satisfy organizational needs and wants. Furthermore, top management often ignores PA findings, or if, informed about them but does not abide by the results or take any measures. Boxall and Purcell (2011) argue that the way PA systems are built makes them a complex type of HR practices, which could have an impact on the way of implementation. A consequence to that could be that things could go wrong during implementation, which can weaken employees’ motivation and trust to the PA system rather than enhancing the motivation for development as other authors stated (Latham and Wexley, 1994; Jönsson, 2004). Latham and Wexley (1994) are of the opinion that performance feedback enables the PA to achieve its two most important functions, defined as motivation and personal development, and that training is one of a multitude of activities aimed to enhance CD (Ellström and Nilsson, 1997; Jönsson, 2004). There is a clear positive correlation between PA and CD.

2.2 Competence development

2.2.1 Definition of employee competence

The concept of “competence” has been used since 1980s in USA and soon after

became known in Sweden (Granberg, 2004). Ellström (1992) defines competence as the individual's potential ability to act in relationship to a particular task, situation or context. Nilsson, Wallo, Rönnqvist and Davidson (2011) underline "the potential ability" in Ellström's (1992) definition, by arguing that competence is described as what the individual can do if given the opportunity and not what the individual really does when there are constraints of different kinds (Hansson, 2005). Individuals may have competence to implement tasks in an organization. However the individuals are not necessarily free to carry out the task as they please, since they might have to consider other needs or restrictions within the organization. According to several authors, Ellström (1992), Granberg (2004), Hansson (2005), Bowin (2011) and (Nilsson, Wallo, Rönnqvist and Davidson, 2011) competence is always needed when an individual wants to implement a task. Often the concept is connected to a working individual who carries out a task in an organization (Nilsson, Wallo, Rönnqvist and Davidson 2011).

2.2.2 What is knowledge, skills and attitudes?

Gloria Dall'Alba and Jörgen Sandberg (1992), Sundberg, Snowden and Reynold (1978 cited in Ellström, 2002) highlight the competency relationship between task and environment as personal characteristics such as knowledge, skills and attitudes. Hansson (2005) suggests that if the employee's attitudes are negative to the working environment the employee's knowledge and skills will probably not develop as expected. Often human knowledge is described in the two forms of knowing "what" and "how" (Granberg, 2004). Granberg (2004) and Hansson (2005) define the employee competence as knowledge as to know what.

Granberg (2004) and Hansson (2005) define skills as the ability in knowing how to implement a particular task. Instruction and education are common methods to develop skills among individuals. It could sometimes mean, that employees develop their skills in practice situations and by experimenting. Furthermore, an attitude is a positive or negative personal evaluation of people, places and events (Simon, 1976 cited in Dainton and Zelle, 2005). It is also brought up that in some cases employees

have the skill and knowledge but not the right attitude towards a task, as they still do the job but in an unsatisfactory manner, they might lack the relevant motivation (Latham and Wexley, 1994).

2.2.3 Definition of competence development

The first part of the concept “competence development” has been described above. The second part, “development”, is about change (Nilsson, Wallo, Rönnqvist and Davidson, 2011). According to Ellström (1992), CD has a positive association related to increasing employees acting ability to a specific task, situation or context. Nilsson, Wallo, Rönnqvist and Davidson (2011) define CD as the activities that an employer consciously uses to develop employee’s competence in relationship to current or future tasks. Bowin (2011) defines CD as all the activities and interventions with the purpose to develop the employee and organizations competence. In this study I have used Nilsson, Wallo, Rönnqvist and Davidson’s (2011) CD definition, as my study focuses on the development of the employees’ professional competence, which covers relevant knowledge, skills and attitudes in a changing working environment.

Kock (2010) defines CD as a summarized concept for different interventions that could be taken to influence the supply of employee competence both on an individual or group level. This study aims to look at the individual level of competence development through different activities defined by Kock (2010) and Nilsson, Wallo, Rönnqvist and Davidson (2011) as:

- Formal training of employee through courses at or outside work
- Different type of informal training courses such as development projects, seminars, workshops
- Learning through implantation of daily work, with or without instructions, such as on job learning
- Change of tasks or organizational development such as job development, rotation with a purpose of increasing competence and learning

CD could cover one or more of the above activities in an organization (Kock, 2010). Kock (2010) and Nilsson, Wallo, Rönnqvist and Davidson (2011) argue that some organizational CD related activities such as job rotation and development could still contribute to employees' CD even if the activities do not have it as a primary purpose. Kock (2010) argues that ideally one should aim for integration of the above-mentioned activities.

2.2.4 What are the effects on competence development?

Kock (2010) sees the effect of activity in individual as a change. This change is developmental in terms of knowledge, skills and attitudes. However, he (2010) argues that most of the research done on CD is around the effects of the training and that very little research has been done around the employee's attitudes to CD.

Furthermore, for CD to happen employees need to have room for maneuver (Granberg, 2004), room for interaction, training opportunities and organizational culture that supports learning and change (Hansson, 2005). Room for maneuver in an organization is an important factor for employee's learning because it indicates employee's opportunities to develop through new experiences. Organizations might have great learning opportunities but if the employees do not have the will or motivation it is hard to achieve learning effects (Baumgarten, 2006; Gustavsson, 2000 cited in Nilsson, Wallo, Rönnqvist and Davidson, 2011). Furthermore, for CD to occur it seems, employees need to be motivated (Nilsson, Wallo, Rönnqvist and Davidson, 2011) and need to have the will to use and develop their competence (Granberg, 2004; Hansson, 2005).

2.2.5 Summarizing previous research

In the literature on the topics discussed above. I find a lack of support regarding the relationship between PA and CD. Engquist (1990) and Lindgren (2001) state that not much research has been done on PA. Although these two books are old today, I have not found any more recent research on whether PA influences CD or not. Yet, no concrete empirical support for this is to be found. Against this background the general

idea of my study, i.e. to investigate if PA process influences CD is important. It is important because organizations consider the PA a developmental tool and competence as a rare commodity as it tends to be attached to human beings instead of processes or machines (Engquist, 1990).

The PA in this study is considered to be a review of employee's professional performances that takes place during a meeting between line manager and employee in the form of dialogue. During the meeting a personal development plan should be agreed upon by both parties, which includes goals and activities for the coming year. The activities need to be carried in order to investigate if PA process has influenced employees' CD. The CD is viewed as a planned change professional knowledge, improvement of skills and/or intended change of attitudes. Against this background, the frame of reference is always related to the organization intended development plan.

3 METHOD

3.1 Qualitative approach

In order to meet the demands put forward in the aim of the study, I need to understand how the participants have experienced and interpreted the effect of the PA process on the CD. According to Patel and Davidsson (2003), descriptive research is to deepen an investigation of a problem area with the help of current theories with the aim of examining the aspects of a phenomenon. My study is based on theories from previous research together with qualitative data and is therefore descriptive.

The empirical part of my thesis is built on primary resources in the form of interviews. This data collecting method, according to Patel and Davidsson (2003), falls under the qualitative research methodology. When using interviews Bell and Bryman (2007) highlight that a qualitative study focuses on the interviewees' point of view. Collecting data through interviews allow me to ask questions about if PA process influences employee's CD, and have the interviewees to describe their experiences and ways of thinking on topic in focus. I have chosen to use semi-structured interviews because it gives the employee the chance to freely elaborate on the subject yet allows me to guide the interviewee. According to Bell and Bryman (2007) semi-structured interviews mean that major questions are predetermined because there is a focus area in the study.

3.2 Selection of data

3.2.1 Performance Appraisal process information

The PA process looks different in different organizations, which is illustrated by the documentation received from the two organizations. In my study the concepts PA process and CD are of major importance to me and the documentation received from the two organizations helped me build the background and structure of my study. The PA process as focused in my study covers identification of individual goals, activities

and personal development plans to achieve these. Due to confidentiality the documents will not be shared in my study.

3.2.2 Choice of organizations

Employees in organizations with different cultures as well as PA processes may have different experiences. As I mentioned above I have chosen to investigate two different organizations, in this case private sector companies within different business sectors from different sectors of society. One is a bank, where a strict organization and formal atmosphere exist. The other is an in-house advertising agency, characterized by a less strict structure and more informal atmosphere. The bank is one of Sweden's largest retail banks and the advertising agency belongs to one of Sweden's biggest food retail chains. I got in contact with the two companies through personal contacts. However, my aim is not to compare the two organizations but rather to achieve greater variation among the empirical data, as a large variation is an advantage for a descriptive study (Bell and Bryman, 2007). Both organizations agreed to be part of my research in return for confidentiality. In my study the organizations are therefore not identified but is referred to as "the bank" and "the advertising agency" respectively.

3.2.3 Choice of interviewees

For PA to take place in the two organizations there should exist a meeting between the line manager and employee. The line manager acts as appraiser and the employee as appraisee. Against this background, I asked each organization to inform about my study and ask employees and line manager if they would voluntarily participate. A condition, set by me, was to interview employees and line managers that had carried out the PA for the past three years. That is because PA results are measured one year after both parties agree on a development plan, goals and activities. Hence, a three years sequence is an advantage because it provides my study with comprehensive material. In total 11 interviews were carried out. The numbers of interviews are optimal due to the time limitation of the thesis. The team at the bank consisted of one line manager and five employees. The employees' titles were "capital advisor" and "private advisor". The team at the advertising agency consisted of one line manager

and four employees. The employees' held titles within design, production and support.

3.2.4 Data collection

I prepared for the interview by contacting the interviewees by email and telephone where I provided all the necessary details like location, timing and the objectives of my study. Since the first question is very important in the interview (Denscombe, 2009), I started the interview meeting by asking the interviewee about their background, which helped both the interviewee and myself get comfortable. The interviews were in Swedish as it is the interviewees' mother tongue. I did not want to hold the interviews in English because I did not want the language to be a barrier when answering.¹ The interviewees were promised confidentiality before the interview started. Due to my effort to retain confidentiality as promised, the interviewees are referred to as "she" regardless of gender, and both line managers are called as "line manager" and all employees are called "employees" throughout my study. That is because it is a small study and it is easy to reveal identity (Denscombe, 2009). I believe this was of a help because I experienced the employees were speaking freely about their experiences. All the interviews were recorded with a dictaphone and lasted between 45-60 minutes each.

3.3 Analytical model

In order to reach the purpose of the study, two research questions are derived from the purpose as follows:

- I) Has a PA been successfully carried out? (Yes/No)
- II) Has CD been achieved as a result from PA? (Yes/No)

It is necessary to transform these into more precise and concrete questions, which can be used as questions during the interviews and tools for the analysis of the data collected. I have therefore applied a two-step analytical process in order to reach the

¹ All translations of the interviews are made¹⁸ by myself.

aim of the study. On the first level are my research questions, which are general and abstract. On the second level, the questions asked concern the analysis of empirical data material i.e. the interviewees' responses to my interview questions. In my model, thus, there is one level of questions named research questions (Research question 1 and 2), which are directly related to the questions put forward in the purpose of the study. These are answered by the combined result of the analytical questions (Analytical question 1 through 4), which are asked to the data material during the analysis and represent the interviewees' ways of answering the interview questions.

My treatment of the interview data presented below is designed to allow me to interpret my empirical findings that are based on the interviewees' responses to interviews in order to understand if PA influences CD. There are certain steps that need to be taken in order for the interviewee to express, with reasonable validity, that CD was a direct result of the PA. First, the employee and the line manager need to have a PA meeting. Second, a personal development plan needs to be formed during the PA meeting. Third, development goals need to be identified during the PA meeting and included in the development plan. Fourth, activities, allowing the employee to realize her goals, need to be identified during the PA meeting and included in the development plan. Therefore, only when a meeting has been held where a development plan including goals and activities is formed you can say that the PA has been successfully carried out. This is covered in empirical chapter using the analytical questions presented below (1-2 incl. sub questions), which is derived from the first research question (I):

- I) Has a PA been successfully carried out? (Yes/No)
 - 1) Has a PA meeting been held? (Yes/No)
 - 2) Has a personal development plan been formed? (Yes/No)
 - a) Have development goals been agreed upon and included in the development plan? (Yes/No)
 - b) Have activities, to realize the agreed goals, been identified and included in the development plan? (Yes/No)

Once the PA has been carried out, I have investigated if CD was achieved as a result. I.e. if the activities were carried out and, if yes, if professional knowledge has increased, if skills have been developed and/or if there has been a change in attitudes. This is covered in empirical chapter using the analytical questions presented below (3-4 incl. sub questions), which is derived from the second research question (II):

II) Has CD been achieved as a result from PA? (Yes/No)

- 3) Were the activities, as agreed in the development plan, carried out?
(Yes/No)
- 4) Was competence developed as a result of the activities? (Yes/No)
 - a) Has the employee's professional knowledge increased as a result of the activities? (Yes/No)
 - b) Has the employee's skills improved as a result of the activities?
(Yes/No)
 - c) Has the employee's attitudes changed in positive way as a result of the activities? (Yes/No)


At the second and more concrete level, the analysis aims to conclude whether PA has been successfully carried out not. Following my model, the line manager and employee both need to have answered "yes" for each of the analytical question 1 and 2 (incl. sub questions). If one of these questions is answered with a "no" then the PA was not fully realized. Using the answers to analytical questions 1-2 (incl. sub questions) I have answered my first research question (I), derived from the purpose of the study.

For me to say that CD has been successfully achieved, line manager and employee both need to have answered "yes" to analytical question 3 as well as "yes" to analytical question 4 (i.e. have answered "yes" to at least one sub questions to analytical question 4). Using the answers to analytical questions 3-4 (incl. sub questions), I have answered my second research question derived from the purpose of

the study.

An overview (illustrating my line of thought) of, showing the relationship between my study areas, analytical questions, and research questions derived from my study i.e. my analytical model presented in Table 1 below.

Table 1: Overview of analytical model

Area	Analytical Questions (level 2)	Research Questions (level 1)	Purpose
Analytical Process Direction			
Performance Appraisal	1) Has a PA meeting been held? (Yes/No) 2) Has a personal development plan been formed? (Yes/No) a) Have development goals been agreed upon and included in the development plan? (Yes/No) b) Have activities, to realize the agreed goals, been identified and included in the development plan? (Yes/No)	I) Has a PA been successfully carried out? (Yes/No)	
Competence Development	3) Were the activities, as agreed in the development plan, carried out? 4) Was competence developed? (Yes/No) a) Has your professional knowledge increased through the activities? (Yes/No) b) Has your skills been improved as a result from the activities? (Yes/No) c) Has your attitudes changed in positive way as a result from the activities? (Yes/No)	II) Has CD been achieved as a result from PA? (Yes/No)	To examine if PA influences CD

The empirical outcome of my analytical questions will be summarized and presented using the matrix in Table 2 below. The answers from the interviews will be analyzed using the above research questions and matrix. The matrix presented in Table 2 illustrates the empirical outcome.

Table 2: Empirical Outcome Matrix

	PERFORMANCE APPRAISAL				COMPETENCE DEVELOPMENT			
	Meeting	Development Plan	Goals	Activities	Activities carried out	Knowledge	Skills	Attitudes
Example 1	Yes	Yes	No	No	n/a	n/a	n/a	n/a
Example 2	Yes	Yes	Yes	Yes	Yes	No	No	No
Example 3	Yes	Yes	Yes	Yes	Yes	No	Yes	No

In the case of Example 1, the meeting and development plan have been achieved but not goals and activities. This means for some reason the goals, and the activities to achieve the goals, were not identified. Consequently a proper PA was not carried out. In the Example 2, all the PA steps have been fulfilled and hence a successful PA was achieved. But despite having carried out the activities CD was not achieved. In the case of Example 3, all the PA steps have been fulfilled and hence a successful PA was achieved. The activities were also carried out and an increased level of competence (skills) was experienced.

3.3.1 Method quality, validity and reliability

According to Denscombe (2009) by recording the interviews you gather a tangible foundation. I have used a dictaphone during the interviews so I am at liberty to focus on the content of the interviews and follow-up with further questions. This approach aim to increases the validity in my study. The chosen interviewees have participated voluntarily, I assume means they are motivated during the interviews, which increased the chances of them sharing real experiences. The fact that my study covers the implementation of PA over a three-year period can be assumed to have increased the validity in interviewees' answers, because they are familiar with the PA procedure.

Furthermore, to decrease the risk of low validity, I have made sure to carry out the

interviews by asking clear and easily understood questions and give the interviewees' time to answer and the possibility to ask questions. This is important for creating a relaxed atmosphere according to Denscombe (2009). I have also provided all the interviewees with the same conditions to ensure high validity by provide them with necessary information with the purpose of my study, which made them aware what kind of information I was searching for. However, there is a well documented methodological weakness when doing interviews, which according to Denscombe (2009) is called the "interview effect". Human beings answers differently depending on the interviewer. Gender, age and ethnic background may make an unwanted difference. It is extremely difficult to completely avoid this disturbance. But according to my observation, there were no indications that my interviewees were not eager and/or dishonest in their answers.

Bell and Bryman (2007) claims that a difficulty with semi-structured interviews is that it could lead away to other discussions. I believe that it was an advantage for my study because it allowed interviewees to expand their time frame, which increased my empirical database. Reliability means to what extend the study can be replicated (Patel and Davidsson, 2003; Bell and Bryman, 2007; Denscombe, 2009). According to Bell and Bryman (2007) it is difficult to measure reliability in qualitative study because you cannot freeze a social setting but in my study I have done my best to get acceptable validity level and this also follows reliability.

4 EMPIRICAL RESULTS

In this chapter, I have presented the result of my interviews with the employees and line managers at the bank and the advertising agency. In the first Section 4.1, I have presented data from the bank covering areas PA and CD. Thereafter in Section 4.2, I have presented data from the advertising agency covering areas PA and CD. Both sections follow the structure of the matrix in Table 2. These data in a similar way adapt to the matrix in Table 3 below.

4.1 The bank

The results of my interviews, with one line manager and five employees having taken part in PA during 2009-2011, are presented below.

4.1.1 Performance appraisal

4.1.1.1 Was a Performance Appraisal meeting carried out?

Five out of five employees had a PA meeting with their line manager during all three PA periods. Every year three PA meetings were held. Follow-up meetings were thereafter held twice a month. Both parties regarded the PA meeting as a dialogue and not a mere formality. For the employees, the PA meeting was an opportunity to receive feedback on their performance from their manager and the meetings therefore facilitated the identification of areas for improvements. There was general feeling on PA among the interviewees and was expressed by the line manager as:

Performance appraisal is about having an open dialogue (line manager).

The parties also agreed on the need for the PA meeting to discuss career planning, development plan and goals for the upcoming year. In addition, the manager regarded the PA as a tool to keep employees engaged and motivated in their jobs. An employee confirmed the manager's opinion as:

The performance appraisal inspires me when my line manager confirms that I am going towards the agreed goals (BIP 1).

4.1.1.2 Was a development plan formulated?

Three out of five employees (BIP 1, BIP 2, BIP 3) were of the opinion that both parties prepared for the PA meeting. The employees brought ideas of concrete goals to the PA meeting that they wanted to achieve and a will to develop further in their career. The line manager supported the employee in identifying activities to carry out the goals. The line manager prepared for the meeting by reading up on last year's PA results. The line manager's role was to coach the employees in their individual development while keeping it aligned with the organizational goals. These three employees said obtained personal development plans including specific goals and activities to reach the goal. The positive outcome motivated the employees in wanting to develop in the organizations.

The remaining two employees (BIP 4, BIP 5) had not prepared properly for the PA meeting. The main reason was that they had no concrete personal goals they wanted to reach apart from the daily tasks. The line manager was aware of this fact. One of the two employees (BIP 4) had bad experience of PA from previous years. She experienced that PA did not add value to what she already knows in the form of further development needs. The other employee (BIP 5) was satisfied with her current position and situation and had no current interest to develop further. But when she had the will to develop, she did. She stated that:

When I developed at the bank I had the will to move forward (BIP 5).

Furthermore, PA had a more impact on her development when she was a junior.

The performance appraisal had a bigger effect on my development when I first started working at the bank. But for the past years since I do not know what I want I feel that the performance appraisal had a less effect (BIP 5).

These two employees, not preparing for their PA meeting, obtained a personal development plan, which did not address the personal goals and activities but the execution of day-to-day tasks. Hence, they expressed that they did not need the PA to

motivate them to develop.

4.1.2 Competence Development

4.1.2.1 Did the activities contribute to competence?

Of the three employees (BIP 1, BIP 2, BIP 3) having a successful PA process, all three carried out their development activities as planned. The various activities were external training, workshops, study visits. All three also experienced that they developed competence by increasing their professional knowledge as per the agreed goals in their development plan. From her side, the line manager experienced that the three employees had increased their professional knowledge by learning new products at the bank as a direct result of the PA. The line manager noticed the employees' increased professional knowledge when attending client meetings with the employees. The employees themselves expressed that their skills had developed during the meetings with clients. Many times the employees practiced their skills by holding internal presentations for example. In addition, both employees and manager experience a positive change in the employees' attitudes as a result of increased confidence. One of the employees stressed the necessity of a successful PA process as such:

I have developed my competence because the right activities were identified through PA meetings (BIP 3).

The two employees (BIP 4, BIP 5) without successful PA stated that they still experienced CD by ad hoc. Hence she (BIP 4) stated that when she wanted to learn something she did not wait for the PA.

I do not wait for my line manager or the performance appraisal to tell me how to develop my competence. When I want to learn something I grab it myself (BIP 4).

Performance appraisal does not have a big impact on my competence development especially when I do the same tasks (BIP 5).

4.2 The advertising agency

The results of my interviews, with one line manager and four employees having taken part in PA during 2009-2011, are presented below.

4.2.1 Performance appraisal

4.2.1.1 Was a Performance Appraisal meeting carried out?

Four out of four employees stated that a PA meeting had been carried out for all of the past three years. The PA meeting took place twice a year. The employees described the meeting as a template rather than a dialogue for discussion. One of the employees stated:

I think one need a dialogue and not just a performance appraisal, as it is a square guideline (AIP 2).

The four employees felt that the organization and the line manager did not take PA seriously during 2009 and 2010. They expressed that it was a tool forced from the management. It also did not help that the previous line manager did not make a priority. One of the employees stated:

I do not believe it is taken seriously from managers or employees (AIP 4).

4.2.1.2 Was a development plan formulated?

In 2009 and 2010 the goals and activities, as agreed upon in the development plan, were general and not specific and personal. However, the four employees took responsibility for not contributing to a developing plan, as they did not feel engaged enough due to bad experience from previous years. In addition, there was a lack of follow-up and the identified goals and priorities kept changing. This had demotivated employees over time.

In 2011, the four employees received a new line manager. The employees expressed that the line manager carried out a more structured PA process. Two out of four employees (AIP 1, AIP 3) expressed that the PA meeting led to a personal

development plan. The plan also included goals and activities to achieve the goals. Since the new line manager was more engaged in, and also prioritized, the PA process the employees experienced that the line manager supported them. Employees expressed that because of this, their engagement increased and the will to develop was triggered. The positive outcome motivated employees to develop themselves. This change in both managerial focus and employee attitudes were expressed by one employee as:

I think I developed a lot last year because I took more responsibility and my line manager saw that. Now I feel my line manager understands me better and this has led me to show her that I can. The feedback was very important (AIP 1).

I feel the performance appraisal led to development because my line manager highlighted the weaknesses and strength in my development plan for 2011 (AIP 3).

The remaining two employees (AIP 2, AIP 4) also received a personal development plan for 2011 including goals and activities. But few months after that new goals and activities were introduced through informal meetings. This change led to that the goals and activities in the development plan fizzled out. The employees expressed that there was lack of consistency in maintaining the agreed goals in the development plan. That is because the conditions at work keep changing. Two employees as expressed this:

I experience that my line manager keep changing the conditions at work, which makes it harder for me to achieve the agreed goals and move forward (AIP 4).

I feel like the management do not want and cannot deal with PA (AIP 2).

This demotivated employees because they could not grow in the organization. The employees expressed that they would have appreciated more follow-up and feedback on the personal everyday processing of the development plan and goals.

4.2.2 Competence development

4.2.2.1 *Did the activities contribute to competence?*

A development plan was not formed during 2009 and 2010 for the four employees. Goals and activities were not identified to develop the employees. But other goals through out the year were identified through informal meetings had contributed to CD. The employees expressed that the new goals were more developing than the fictive goals stated in the PA. The identified activities were “learning by doing“ and that led to increased professional knowledge and improved skills but did not have any effect on the attitudes. However, achieved CD was not as a result of PA.

Both employees (AIP 1, AIP 3), who had a development plan 2011, carried out their activities and experienced developed competence. One employee (AIP 1) claimed that she developed new professional knowledge because she was provided with a new tool. Her professional skills also improved because she was able to use her knowledge in everyday work. The line manager confirmed the results:

They had the competence in the group so we expanded [area of competence] to use their competence (line manager).

During 2011, the activities changed their attitudes positively to work because they described that they were give the opportunity to work with something they liked.

The other employee (AIP 3) was appointed new tasks and she improved her professional knowledge because she had to learn what was essential for the new tasks. Her skills were improved as a result from practicing. Her attitude changed to the new tasks because the activities were stimulating but also because she was passionate about what she was doing. During 2011 the PA had according to the interviewees motivated them to develop their competences.

The other two employees (AIP 2, AIP 4) had also formulated a development plan for 2011. However, the agreed goals and activities were not achieved because the goals had changed after agreeing on the development plan. According to the line manager,

when PA did not lead to CD, it could have been related to organizational changes and thus goals also changed. But it could also be that the employee did not have the will and engagement to develop. Despite the lack of PA employees experienced increased competence. However, this was not as a result of PA. As one employee stated:

The performance appraisal happens twice a year so it is not alive (AIP 2).

The experienced increase in competence was a result of other goals, identified through informal meetings, resulting in activities that contributed to CD. One identified activity was “learning by doing it “, which led to increased professional knowledge and improved skills.

4.3 Overview of results

Table 3, on the next page, provides an overview of the results to my analytical questions. These results will be analyzed in the next chapter.

Table 3: Overview of empirical results

Interviewee	Year	PERFORMANCE APPRAISAL				COMPETENCE DEVELOPMENT			
		Meeting	Development Plan	Goals	Activities	Activities carried out	Knowledge	Skills	Attitudes
BIP 1	2009	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2010	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2011	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
BIP 2	2009	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2010	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2011	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
BIP 3	2009	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2010	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	2011	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
BIP 4	2009	Yes	No	No	No	No	No	No	No
	2010	Yes	No	No	No	No	No	No	No
	2011	Yes	No	No	No	No	No	No	No
BIP 5	2009	Yes	No	No	No	No	No	No	No
	2010	Yes	No	No	No	No	No	No	No
	2011	Yes	No	No	No	No	No	No	No
AIP 1	2009	Yes	No	No	No	No	No	No	No
	2010	Yes	No	No	No	No	No	No	No
	2011	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AIP 2	2009	Yes	No	No	No	No	No	No	No
	2010	Yes	No	No	No	No	No	No	No
	2011	Yes	Yes	Yes	Yes	No	No	No	No
AIP 3	2009	Yes	No	No	No	No	No	No	No
	2010	Yes	No	No	No	No	No	No	No
	2011	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AIP 4	2009	Yes	No	No	No	No	No	No	No
	2010	Yes	No	No	No	No	No	No	No
	2011	Yes	Yes	Yes	Yes	No	No	No	No

5 ANALYSIS AND DISCUSSION OF RESULTS

5.1 The bank

5.1.1 Performance Appraisal

To start with, all the bank's employees and line manager showed a common understanding of the PA as they both regarded the PA meeting as a dialogue for development (see quotation p. 23). One of the purposes with PA is to formulate a personal development plan for each employee (Galfvensjö, 2006; Latham and Latham, 2000 cited in Boxall and Purcell, 2011; Cederblom 1982; Gabris and Ihrke 2001; Pettijohn, Pettijohn and d'Amico, 2001 cited in Linna et al., 2012). When three out of five employee (BIP 1, BIP 2, BIP 3) brought concrete goals to the discussion table, which the line manager could align with the organization goals, it led to personal development plans for 2009, 2010 and 2011 (see Table 3, p.30). Hence, according to the employees the PA motivated the employees in wanting to develop in the organizations when PA led to a development plan.

The three employees' development plans included goals and activities to reach the agreed goals. These employees took an active role in determining their own development goals together with their line manager. Jönsson (2004) claims that giving the employees the opportunity to be responsible for setting their own goals generally creates employee commitment. The three employees stated in the interviews that they were interested in developing at work, whereas the other two employees made clear that they were not. This indicates a need for commitment and will for development to happen and is quite in line with what can be found in the literature on this topic. Granberg (2004) and Hansson (2005), for instance support this. According to Jönsson (2004) and Jerkedal (2005) a reason for PA results not being efficiently used quite often is a lack of follow-up measures. It is therefore worth mentioning that the line manager offered frequent follow-ups to the PA meetings carried out 2009, 2010 and 2011. This seems to have created a supportive framework for development. At least, to some extent, this corresponds to the stated outcome from three interviewees (BIP

1, BIP 2, BIP 3).

The other two employees (BIP 4, BIP 5) did neither prepare nor bring any concrete goals to the meeting. It seems like both employees did not regard the PA as a tool for development for different reasons. Therefore, the employees expressed that the PA did not motivate them to develop in the organization. One of the employees (BIP 4) experienced that PA did not lead to development, as the PA did not add value in identifying development needs. The other employee (BIP 5) experienced that PA had a bigger impact on his development when she was a junior employee (see quotation p. 24). However, I do not have any previous research to support that PA has more influence on junior employees than senior employees. But it could be when employees are new in the business more guidance is needed. At the same time these two employees were satisfied with their current situation, as they were more interested in stability than development, hence no personal development plans were formed. This inconsistency between the two groups of employees quite well illustrates findings from previous research, which stresses that both parties need to take responsibility by preparing and planning for the PA meeting in order to make it lead to development (Jönsson, 2004; Ljungström, 2011).

According to my analytical model, a successful PA process is achieved when PA meeting leads to a personal development plan and agreed goals. The development plan contains activities that are agreed upon to achieve the goals. In the case of the three employees (BIP 1, BIP 2, BIP 3), their PA meetings met the requirements. Therefore, their PA was successful according to my analytical model. The remaining two employees (BIP 4, BIP 5), that had the PA meeting but did not form a personal development plan, hence did not achieve a successful PA process as per my analytical model.

5.1.2 Competence Development

For the two employees (BIP 4, BIP 5) without a personal development plan, PA did not influence their CD for any of the years 2009, 2010 and 2011. However, due to the

flexibility and the space for development at the bank, these two employees were able to develop their competence by attending activities ad hoc (see quotation p. 25). Nilsson, Wallo, Rönnqvist and Davidson (2011) claim that some activities do not have CD as a purpose but can still contribute to CD.

For the three employees (BIP 1, BIP 2, BIP 3), who had a successful PA for 2009, 2010 and 2011, all agreed activities, identified in the personal development plan, were carried out. The activities attended were trainings, workshops and study visits activities that according to Kock (2010) and Nilsson, Wallo, Rönnqvist and Davidson (2011) could contribute to CD. Both the line manager and employees experienced increased competence as a result of the identified activities (see quotation p. 25). A concrete example is that the line manager noticed a difference in professional knowledge when the employees attended client meetings. In addition, both parties experienced improved skills as a result of using the newly acquired knowledge in practice. Such development is supported by previous research where employees develop their skills by using their knowledge in practical situations such as doing internal presentations (Granberg, 2004; Hansson, 2005). Furthermore, the employees' attitudes to work had changed positively because both parties expressed that the activities had made the employees more confident in carrying out the tasks. The outcome of my study thus shows that the three employees identified a positive outcome as a result of CD.

These three employees achieved all the agreed goals and activities. These activities in which they had been involved had contributed to increase professional knowledge, improved skills and changed in attitudes. According to my analytical model these employees have met the requirements for achieving CD. Therefore, these three employees' PA has influenced their CD. For the two employees (BIP 4, BIP 5) without a personal development plan, PA did not influence their CD for any of the years 2009, 2010 and 2011.

In summary then, generally the employees seemed to have experienced that the PA meeting has been a good occasion to discuss matters they did not have time to discuss

in other meetings. The PA meeting for employees acted like a pit stop for reflection on their development planning. Some employees did not rely on the PA meeting as a tool to identify their needs for developments. They took own initiative to ensure CD related to work when needed. The PA meeting was not capable of motivating the employees that did not have the will to develop. It could be said that when PA influenced employee's CD, first, employees had the will to develop, and, second, both parties had made their homework in preparing for the PA meeting before hand.

5.2 The advertising agency

5.2.1 Performance Appraisal

For the year 2009 and 2010, four out of four employees expressed that they had a PA meeting. However, it did not they claimed, on any occasion, lead to a personal development plan for any of the employees. Therefore, none of the four employees had a successful PA process for these two years according to my definition (see p. 26). However, the line manager for 2009 and 2010 had left her position and did not participate in the interviews. The outcome therefore, is based solely on the employees' answers. During these years they said that they did not take responsibility in preparing and planning for the PA. According to the employees, they had bad experiences from previous years. The four employees said that the PA was just a formality instead of a dialogue because general goals were discussed instead of personal. This interviewee outcome seems to be an illustration of an unsuccessful use of PA opposite to its purpose. It led to demotivation according to the employees. Similar findings are mentioned in previous research finding by Latham and Wexley (1994), Jönsson (2004), Boxall and Purcell (2011).

In contrast to the above, during 2011 all four employees had a PA meeting that led to a personal development plan. Two of four employees (AIP 1, AIP 3) as well as the line manager had prepared for the PA meeting beforehand. According to the employees the positive outcome for the PA is that they received a new line manager who had a different approach to the PA compared to the previous one. This led both parties to use the meeting as a dialogue to agree on goals and activities to achieve

those goals stated in the development plan. This resulted in motivating employees to perform better (see quotation p.26).

For the remaining two employees (AIP 2, AIP 4), the formulated personal development plan was unusable due to external factors. Goals and activities were identified during the PA meeting. My study indicates that, since the conditions at work kept changing for the employees this made the development plan also change (see quotation p.27). Due to lack of follow-up, for employees it meant that it complicated things when goals were changing. They lost confidence in PA as they expressed this limited their development. Jönsson (2004) and Jerkedal (2005) state for PA to have a positive outcome there has to be a proper follow-up. But it also seems that the employees experienced that the PA results were not efficiently used to serve its purpose (see quotation p. 26).

According to my analytical model a successful PA is achieved when a PA meeting leads to a personal development plan and agreed goals. The development plan contains activities that are agreed upon to achieve the goals. During 2009 and 2010 the PA did not lead to a personal development plan for the four employees. Therefore, according to my analytical model PA was not successful. During 2011, the four employees' PA meetings met the requirements. Therefore, their PA process was successful according to my analytical model.

5.2.2 Competence Development

In the case of the two employees (AIP 2, AIP 4) that had a personal development plan but fizzled out half way during 2011, no goals were achieved and no activities were carried out as a result from PA. However, the new goals agreed upon during informal meeting were developing. Hence the employees achieved CD but not as a result from PA. According to the line manager that these two employees could have been affected by organizational changes and thus their goals also changed. She also indicated that it could be that the employee did not have the will and engagement to develop. Hence, according to my analytical model my study cannot state whether the PA process had

influence employees' (AIP 1, AIP 2) CD in this case.

For two remaining employees (AIP 1, AIP 3) the PA led to a personal development plan during 2011. The result of my study based on the employees as well as line manager expressed experiences show that PA influenced their CD. One of the two employees (AIP 1) had increased her professional knowledge as she was provided with the right tools and given opportunity to expand their knowledge (see quotation p.28). According to Ellström (1992) employees use what competences they hold when they are given the opportunity to make use of it. This finding is supported by Kock (2010) and (Nilsson, Wallo, Rönqvist and Davidson, 2011), as they claim the employees can develop their CD when previous decided task changes take place, which was the case at the advertising agency.

According to Granberg (2004) and Hansson (2005) skills could be developed through practical situations. One employee (AIP 1) when she was provided with the new tool, she was able to practice and develop her skills in that situation. This indicates that the employee was provided with room for maneuver, which according to Hansson (2005) is an important factor for employees' learning as it provides them with opportunities for development through new working conditions. This change had also influenced the employee's attitudes positively towards work as she got the chance to practice something she is passionate about. For the second employee (AIP 3) she experienced that her competence developed when she had a change of tasks. Both the line manager and employee stated that the employee's professional knowledge had increased and skills had improved. This also affected the employee's attitudes as she became more stimulated in doing the new tasks.

My study's finding is on quite corresponding with what is reported by Bowin (2011) who state that the purpose of CD is to attain development through activities. The two employees (AIP 1, AIP 3) achieved all the agreed goals and activities. These activities had contributed to increase knowledge, improved skills and changed in attitudes. According to my analytical model these employees have met the requirements for achieving CD. Therefore, these two employees' PA has influenced their CD.

In summary then, the PA meeting was seen as a formality rather than a dialogue for developmental discussions. The employees lost confidence in the PA as a tool because results were ineffectively used. But it did make a difference for some employees when the line manager rejuvenated the PA by ensuring preparations were made. The employees felt acknowledged and engaged when the line manager had built further on their existing competence. The other employees started to find themselves but their growth path ended when the development plan lost importance as the conditions changed. The PA influenced employees' CD when the employees had the will to develop at work and when the PA process was properly executed.

5.4 General summary of analysis

My research and analysis, using my analytical model (Table 1), has provided me with the following conclusions. When employees of the bank and the advertising agency prepared and planned the PA meeting it led to a personal development plan. The development plan covered goals, often suggested by a proactive employee that were discussed and agreed upon during the PA meeting. Activities, to be carried out throughout the year, were agreed upon to realize the goals. When the activities were carried out as per the development plan, employees and line manager experienced an increase in employee competence. Hence, according to the line managers and employees, when the PA process was properly executed, it influenced employees' CD.

Thus, when PA was successfully carried out (Research Question I) and the conditions for the CD were met (Research Question II), it can be said that PA influenced CD in an expected way. In short, when the quality conditions expressed in Research Questions I and II were met the PA process influenced employee competence.

6 CONCLUSIONS AND REFLECTIONS

My study has shown that, firstly, when employees were willing to develop and had a competent line manager a proper PA process emerged. Secondly, that when a proper PA was executed and properly followed up, then it had a positive effects on employee competence. Hence, when PA was properly executed it influenced employees' competence positively.

I would therefore conclude that PA holds great potential as a tool for employee development. Unfortunately, its application is hampered by a lack of understanding of the tool itself as well as a lack of competence among those who use it (Latham and Wexley, 1994; Jerkedal, 2005). This, in its turn, may demotivate the employees who are supposed to develop (Boxall and Purcell, 2011). If organizations put more efforts into educating both employees and line managers on why and how to use PA it will become a more powerful tool for CD.

In my study I have investigated the influence of PA on employees' CD. I observed a difference between the employees with successful CD and the one without. The employees that had successful PA processes had brought their own development goals to the PA meeting and showed a will to develop throughout the whole process. The employees with the unsuccessful PA processes did neither. I believe this is findings is concrete evidence and signifies that if there is will then there are more chances of successful CD. This is a reflection also mentioned by Jönsson (2004) and Ljungström (2011). What is troubling with this observation is that it indicates that, if an employee does not have the will then the PA process, in isolation, is not enough to influence the employee.

Another reflection concerns the follow-ups on the PA results. At the bank, frequent follow-ups had created an open and transparent communication between the employees and the line manager at the bank. Apart from keeping the PA process on track this also made the line manager getting to know his employees very well, which in its turn facilitated PA. Contrary to this, at the advertising agency there were barely

any follow-ups. Follow-ups, thus, seem to be of importance for the successful PA process.

One further difference between the bank and the advertising agency is that the bank has clearly defined career steps, while the advertising agency does not. This raises two questions where the second follows from the first. Does PA function better in a more structured organization, such as at the bank, than in a less structured one, such as the advertising agency? The second question to be asked is if it is really thanks to the PA that more development plans were formed at the bank, or were the plans an effect of a much more built-in PA system than the one had at the advertising agency? I cannot say what affected the PA results at the bank since this is not part of my study. But what I have observed in my study is that it was easier to identify goals and activities at the bank than at the advertising agency. One reason for this may be that there are clear career paths with strict competence criteria at the bank. The career steps and competence criteria at the advertising agency are more fluid and may therefore be more difficult to define and target by the employees and therefore less motivational.

Based on the above, my observations makes me conclude that PA is an ongoing process preceded respectively followed by phases. The pre-phase, i.e. pre-PA-meeting, ends when the line manager and employee get together for the PA-meeting. In the pre-phase it is important that both parties have taken their responsibilities seriously and prepared and planned for the PA meeting. The post-phase, i.e. post-PA-meeting, starts when the line manager and employee have agreed on the development plan (including goals and activities). In the post-phase it is important that both parties follow-up and keep the CD process alive to make sure that the agreed activities are carried out. This finding is supported by Jönsson (2004), Jerkedal (2005) and Ljungström (2011). My study indicates a strong relationship between the pre- and the post-phase, where preparing for and thereafter keeping the process alive with frequent follow-ups provided better results in order for the PA not to fizzle out.

My study has provided answers to my questions but at the same time generated some

more. A most important question is related to the validity of the finding. I would therefore like to see a study like my own applied on a larger sample to further validate my findings. A subject for future research could be to what degree employees' wanted performances increase after carrying out the activities as identified in the development plan. Another, more complex, subject could be to look into corporate cost-benefit of employee development procedures.

6.1 Reflections on the methodological approach applied

The study aims to examine line managers and employees' experiences if PA influences employees' CD. I believe that a qualitative approach has been a proper methodology applied for my study. I have achieved comprehensive material through my interviews.

By interviewing employees in two different sectors organizations from two different sectors from society, I have increased diversity in my data material. I am quite aware of that other factors might have influenced the interviewees' answers. But since the participants before the interviews were informed about the purpose of my study, I believe they had time to refresh their memory and therefore give high precision answers.

I know that there is a chance where the interviewees may have felt uncomfortable during the interviews. However, an indication for the opposite is that the duration of interviews session normally lasted more than 45 minutes, although it was scheduled for 30 minutes. Another indication why the interviewees were comfortable is I believe, because they were honest and trustfully when they answered. And to some extent also personal in that they told me about their personal matters related to work.

I also believe it was an advantage for my study that I had previous working experience from supporting line manager in carrying out PA. An indication for this is that in the beginning of the interview they were more conservative with their answers but when they saw me being familiar with interview topic and comfortable, they also

felt more comfortable, as they expressed themselves freely.

I do understand that 11 interviews might not be enough to form a stable base for conclusions. However, due to time limited resources including time, I believe 11 interviews were enough to form a platform for a study of this kind with reasonable validity and reliability. I am aware of that it may have been an unfortunate loss of information not to interview the line manager at the advertising agency for 2009 and 2010. This is an empirical fact, which I had no power to change. Despite a few weaknesses, I believe that my methodological approach was appropriate for my study.

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Interview guides for employees

Background

1. I have understood that you are employed as ... Describe briefly what you do in your work.
2. How long have you been working in this position?

Performance Appraisal

3. What do performance appraisal mean to you as an employee? What are the advantages/disadvantages? Do you need it? Concretize.
4. Who has been your appraiser for the past three years?
5. What expectations have you had on the performance appraisal? Describe. Has the performance appraisal met your expectations? Are you satisfied or dissatisfied? Explain. Concretize.
6. Has the performance appraisal motivated you to develop your competence? How do you know that it was the performance appraisal that motivated you to develop your competence?

Development Plan

7. What has the development plan meant to you as an employee? What has it meant the business you are in?
8. Can you describe how you have experienced that the development plan has affected you as an employee? Concretize. Satisfied/Dissatisfied? Important?
9. Have you and your line manager agreed on the development plan and goals?

Competence

10. What does competence mean to you?
11. What competence is needed in your position?
12. Have you wanted to develop your competence?

Competence development

16. How would you like to develop your competence?
17. Has the performance appraisal influenced your competence development?
18. Which goals/developments needs have you and your manager agreed to develop for year ...?
19. Which activities, with the aim to develop yourself and reaching your development goals, have you and your manager agreed to for year ...? What was the result of the development plan for year ...? Were the activities carried out?
20. Have you experienced development of your knowledge, skills and/or attitude through the activities in your development plan for year ...? Concretize. In what way have you improved? Satisfied/Dissatisfied? Did it play major role in your development?
21. Has the performance appraisal motivated you to develop your competence? If yes, how do you know that it was the performance appraisal that motivated you?

22. Has the development plan contribute to competence development for you as an employee? How? Concretize.
23. How has the performance appraisal, through the development plan, contributed to competence development? How do you know that is it the result of the performance appraisal that has developed your competence? Describe in what way? Concretize.

Interview guide for line managers

Background

1. Describe briefly what you do as a line manager?
2. How long have you been in this position?

Performance appraisal

3. What have the employees performance appraisal meant to you as a line manager?
4. What did you expect to gain, yourself, from the performance appraisal?
5. Has the performance appraisal motivated the employees to develop their competence? If yes, how do you know that it was the performance appraisal that motivated the employees?
6. Are you satisfied with your performance appraisal discussions with your employees? Describe why/why not? Concretize.

Development plan

7. What has the employees development plan meant to you as a line manager?
8. Can you describe how the development plan has influenced your employees?
9. What expectations have you had on the development plan? Describe. Have the development plan met your expectations? Concretize
10. Have you and the employees agreed on the development plan and goals?
11. Have the development plan contributed to employees' competence development?

Competence

12. What does competence mean to you?
12. What competence do you need as an xxxx?
13. Have employees wanted to develop themselves through their competence?

Competence development

14. What does competence development mean to you?
15. What expectations do you have on employees' competence development?
16. Describe your role as an appraiser of employees' competence (focus on performance appraisal and development plan).

17. When employees are sent to activities to develop their competence, what do you base your decision on?
 - a. Can you explain the performance appraisal process?
 - b. What do you personally think about the process? Would you like to change the process to make it better?
 - c. How have you used the performance appraisal to identify and develop employees identified needs?
18. How have you experienced employees' competence development when it comes to knowledge, skills and attitude? Concretize – which way did the employee develop?
19. Have the performance appraisal/development plan contributed to increase in employees' competence? How? Is performance appraisal needed? How do you know that it was the performance appraisal that increased competence?
20. Have the performance appraisal motivated the employees to develop their competence? How?
21. Have the employees development met your expectations?