Generational Change, the Modern Workplace and Performance Appraisal: Why Changing Workplaces Need a Developmental Approach to Performance Appraisal

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The issue of generations in the workplace has garnered much attention since the beginning of the 21st century, but what is often missing from this discussion is an examination of the generational, work and career pattern changes that have occurred in the postwar era. This paper presents a demographic analysis of cultural/generational changes in tandem with an analysis of shifts in business practices and career patterns as these relate to the practice of performance appraisal. It concludes that a performance management process that adopts a developmental approach to improve future employee performance makes more sense in today's workplaces given cultural/generational and career pattern shifts.

INTRODUCTION

The issue of generations in the workplace has garnered much attention especially since the beginning of the 21st century. The discussion of strong generational differences in the workplace has proven to be quite popular in Human Resource literature yet has been characterized by academics as more pop culture than critical research. In particular the entry of the millennials or generation Y into the workplace has been discussed in Human Resource (HR) literature as if it is an invading species with many authors advocating various methods to deal with this new generation at work. Often what is missing from the discussion of generations in the workplace is an examination of the many work and career pattern changes that have occurred in the postwar era. The main objective of this paper is to bring together a wide-ranging demographic analysis of cultural/generational changes in tandem with an analysis of broad changes in HR business practices and career patterns as these relate to the practice of performance appraisal (PA). Performance appraisal has been described as one of the most reviled HR practices and there have been several calls to abolish it. We aim to show that PA can function best by taking into consideration cultural/generational shifts and workplace/career pattern changes.

This paper is structured in the following format. First we define generations in the workplace and then explore the changing transitions or life course of the younger generation. We take a broad demographic perspective in an attempt to delineate any actual cultural/generational changes. This section is followed by an examination of career pattern and workplace changes. Next we examine traditional PA as it has

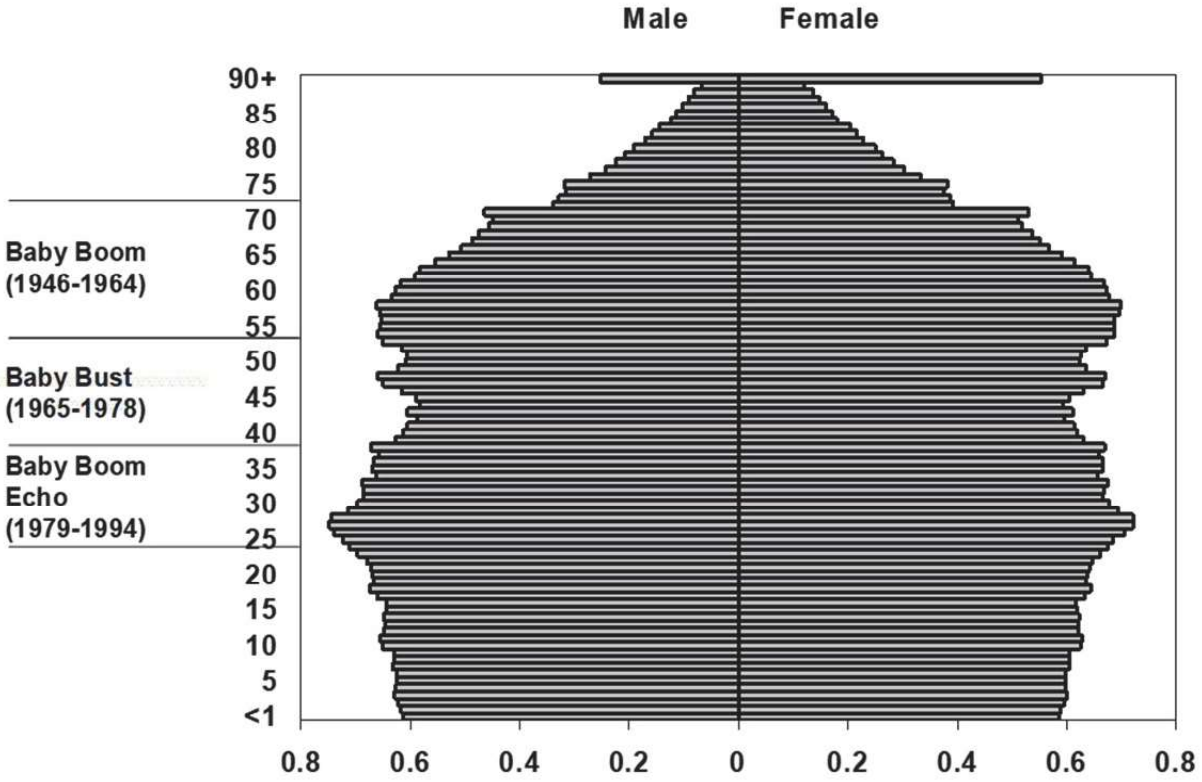
developed from the postwar period to present. The final section discusses why modern PA with a developmental approach can be a better fit with changing workplaces that are less bureaucratic and hierarchical and with changing generational preferences.

DEFINING THE GENERATIONS

There continues to be much disagreement about how to label and even define the generations (see Kriegel, 2016; Marshall & Wells, 2013). Though this is a debate that won't be resolved in this paper, suffice it to say that the sense of belonging to a generation heightened over the 20th century and continues into this century. People born during a specified time period belong to a distinct birth cohort whose members tend to experience formative life-course events and transitions at similar points in time (Trovato, 2015). Earlier in the 20th century Mannheim (1952) grappled with defining generations which he described as age groups embedded in a historical-social process experiencing the same events. For example, Trovato (2015) points out that as the postwar baby-boom generation passed through childhood and into adulthood it experienced very different sociological conditions than predecessor generations. One major defining characteristic of the almost two-decade long baby boom is its size in that such an elongated boom group faced greater within-group competition resulting in crowding in schools during youth and will likely face crowding in nursing homes in old age. The outsized baby-boom generation, (largely attributed to postwar economic prosperity resulting in strong job growth and early marriage), exerted influence on various aspects of society such as music and fashion (Trovato, 2015). Also, the baby boom coincides with more regular completion of high school, greater engagement in peer worlds, surging consumerism and the emergence of a prolonged adolescence all of which led to increasing identification as part of a generation (See Bonvalet, Clément, & Ogg, 2015; Larson, Wilson & Mortiner, 2002; Owram, 1996; Ricard, 1994).

In North America, baby-boom (increase in births) and baby-bust (decrease in births) cycles in fertility are commonly used to define generational cohorts. The postwar fertility boom was preceded by the baby bust of the depression and WWII who as a bust group enjoyed lessened within-group competition during a strong postwar economy (Trovato, 2015). The baby boom was born 1946-1964 in the U.S. and 1947-1966 in Canada and they are followed by a baby bust group (1965-1978 in the U.S. and 1967-1979 in Canada) often nicknamed generation X (see Foot, 1998 and Twenge, 2017). The next boom group is mainly the children of the baby boomers (born 1979-1994 in the U.S. and 1980-1995 in Canada) often called the baby-boom echo or generation Y or millennials. Though there are many ways to define a generation, in this paper we will be taking a demographic perspective in the identification of generations in terms of demographic boom and bust cycles. These three cohorts, postwar baby boom, baby bust (generation X) and baby-boom echo (generation Y or Millennials), are the prevalent generations currently in the labor force. Population pyramids provide a graphic profile documenting past fertility behavior. Here the demographic boom and bust cycles are evident in the population pyramid (see Figure 1 for the age-sex profile by single years of age of the U.S. population). These three demographic groups make up the bulk of the U.S. labor force, with the baby boom at 27.2%, the baby bust at 28.6% and the baby-boom echo as the largest group at 35.1% of the labor force (U.S. Census Bureau, 2017b).

FIGURE 1
POPULATION PYRAMID, UNITED STATES, 2018 (%)



Source: United States Census Bureau (2017a)

GENERATIONAL DIFFERENCES IN POPULAR HUMAN RESOURCE LITERATURE

Taylor (2013) laments on our society's obsession with age which can be observed by recent efforts to define and develop policy for different generations. He opines that much media and even popular business commentary proceed as if such generational categorizations have utility (e.g., consultants advise on how to recruit and manage each generation) and notes that there has been little in the way of attempts to critically appraise such approaches. The term 'generations in the workplace' is in common usage in human resource management circles and literature (see Marshall & Wells, 2013). Several popular books dating from earlier this century are examples of this literature (e.g., *Generations at work: Managing the clash of veterans, boomers, xers and nexters in your workplace,* Zemke, Raines, & Filipczak, 2000). Many academic researchers are at odds with the popular HR and business literature in its portrayals of generational strife and conflicts in the workplace. Several problems abound with these generational books: they rely on opinion surveys of HR managers about generational differences and they conflate age and generational issues often due to reliance on cross-sectional survey results such that the effect of generational differences is exaggerated while giving too little attention to age differences (Marshall & Wells, 2013). For example cross-sectional surveys would involve comparing 40 somethings to 20 somethings in the workplace and attributing any differences to generations rather than age (Marshall & Wells, 2013).

One successful book on how to manage the new generation in the workplace is quickly followed by several more as consultants discuss how to deal with the incoming young employees (often with contradictory advice) as if they in no way resemble those employees who preceded them. Also keep in

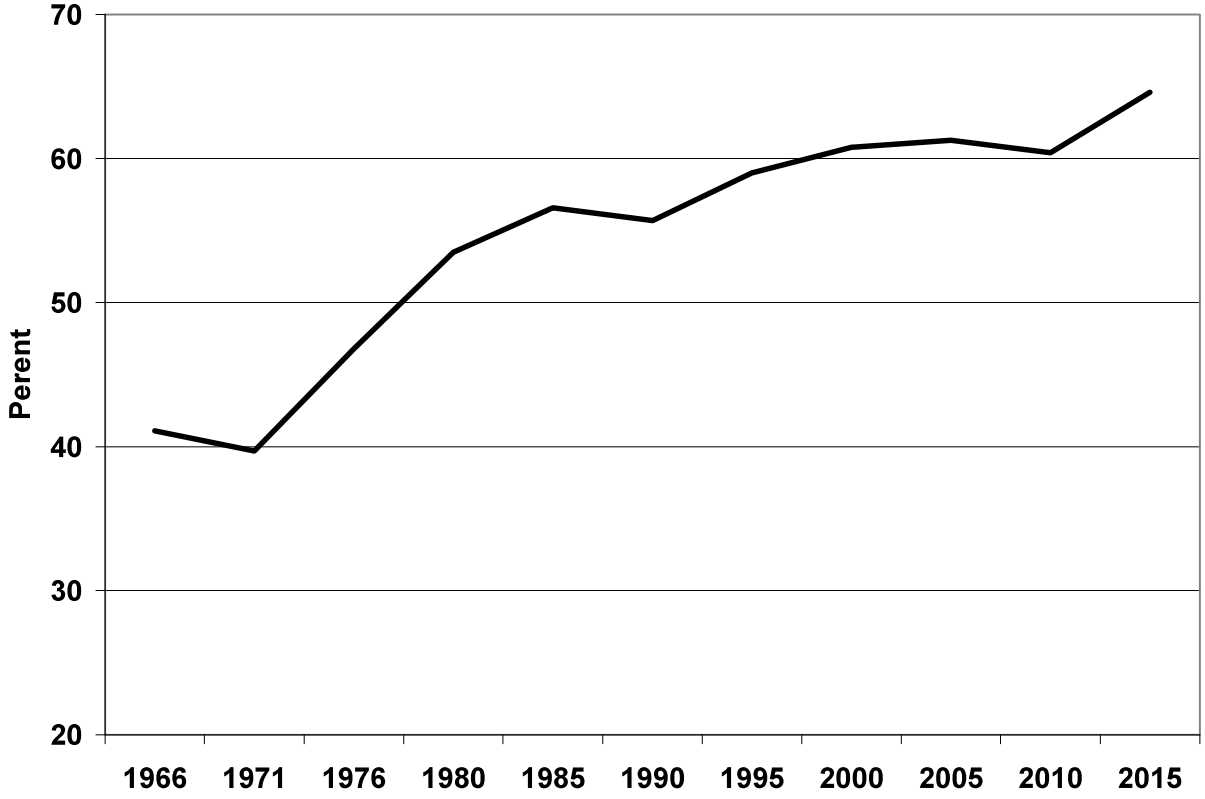
mind that the attention given to generational issues (most of these books began coming out early in the 21st century) has a jump-on-the-bandwagon effect and this attention results in what Twenge, Campbell, Hoffman and Lance (2010) refer to as a mini industry. It is certainly not the first time that HR has been criticized for being fad-driven (see Giancola, 2006). Marshall and Wells (2013) do concede that with careful studies generational membership can be useful in understanding workforce behavior though they propose that it's unlikely that generations account for much in terms of understanding workplace dynamics. Similarly Giancola (2006) concludes that the generational conflicts described in the HR literature may be more myth than reality. However there certainly can be an argument made for studying long-term cultural and generational changes that are observed over the decades.

IDENTIFYING CULTURAL/GENERATIONAL CHANGES

Twenge (2014) asserts that the generational differences that she finds in her research are the clearest manifestation of cultural changes. Or put another way, as the culture shifts so do generations. Erdheim and Lodato (2013) note that generational research has been a controversial topic for many years but they refer to recent time-lagged research as the best research design to isolate generational effects. Twenge's (2014) main body of empirical research attempts to isolate generational differences by use of these time-lagged studies. Time-lagged research uses the same survey questions of different generations at the same age collected at different points in time. For example, survey results of the 1960s cohorts taken at age 20 in 1980 are compared to survey results of the 1980s cohorts at age 20 in 2000. As age is held constant here she contends that generations and time are clearly the focus at work. These time-lagged studies allow Twenge to trace life and work attitudes from the baby boom to the baby bust through to the baby-boom echo generation. Essentially she is presenting a snapshot in time of what each generation is like as young adults.

One of the main changes she finds is the rise in individualism from baby boom to baby bust to baby-boom echo. One upside to the individualistic attitude is a belief in equality and lessened prejudice and discrimination (Twenge, 2014). She notes a downside in that higher individualism results in a rise in narcissism and a lower need for social approval resulting in the tendency not to follow social rules and to disregard authority. Related to this rise in individualism is the concept of personal agency in what Bandura (2006) defined as "To influence intentionally one's functioning and life circumstances" (p. 164). Twenge (2014) discusses agency as a personality trait involving assertiveness, dominance and independence. Based on Twenge's (2014) conclusions it seems that the baby-boom echo is demonstrating higher levels of personal agency than earlier generations and thus they may expect greater input and influence over their personal circumstances in the workplace than previous generations. For example, see Figure 2 showing increases over time in self-ratings of the agentic trait of leadership ability from baby boom to baby-boom echo in American college students from the American Freshman Survey. Specifically this figure documents the increasing percentages of first-year full-time students who rated themselves as "Highest 10%" or "Above Average" on leadership ability compared to the average person their age. Increasingly positive views on agency or agentic traits such as leadership ability are consistent with cultural shifts and the emphasis on individualism and high self-regard (Twenge, Campbell & Gentile 2012).

FIGURE 2
LEADERSHIP ABILITY SELF-RATINGS OF UNITED STATES COLLEGE/UNIVERSITY FRESHMAN, 1966 TO 2015



Sources: Eagan, M. K., Stolzenberg, E. B., Ramirez, J. J., Aragon, M. C., Suchard, M. R., & Rios-Aguilar, C. (2016); Eagan, M. K., Stolzenberg, E. B., Zimmerman, H. B., Aragon, M. C., Whang Sayson, H., & Rios-Aguilar, C. (2017).

One of the main changes in work values is the increase in the value placed on leisure and corresponding decrease in work centrality (Twenge et al., 2010). Twenge et al. (2010) refer to these findings as the first quantitative evidence of a generational shift in work values which supports the popular notion that leisure is a salient work value for the younger generation. This result is not surprising given the changes that workplaces have undergone since the baby boomers began their careers in what was then a traditional corporate culture (Twenge 2014). Twenge et al. (2010) conclude that most of the effect sizes of these work value differences between generations are best characterized as small to moderate. In their own words, generational differences do exist but the differences are not overwhelming and reflect gradual cultural changes. It is important to note that this time-lagged research comes with some cautions and caveats (as well as criticisms). For example Erdheim and Lodato (2013) note that any generational differences are averages with cautions against generational stereotyping (also see Kriegel 2016).

To further examine the premise that the need for social approval and regard for authority have diminished over time one can turn to the measure of power distance, defined as "…the degree of inequality among people which the population of a country considers as normal: from relatively equal (that is, small power distance) to extremely unequal (large power distance)" (Hofstede, 1993, p. 89). For example, Halcom (2016) believes that the baby-boom echo assumes "low power distance" in most of their organizational interactions in that they value the contributions of all members of an organization regardless of their role or level within that organization. Halcom (2016) further states that the baby-boom

echo would not distinguish between emailing helpful suggestions to the company CEO versus a peer in the adjacent cubicle. Kerth (2017) also supports the view that the baby-boom echo perceives that the power-distance gap between employees and upper management is shrinking and thus they expect more participation and consultation in workplace decisions.

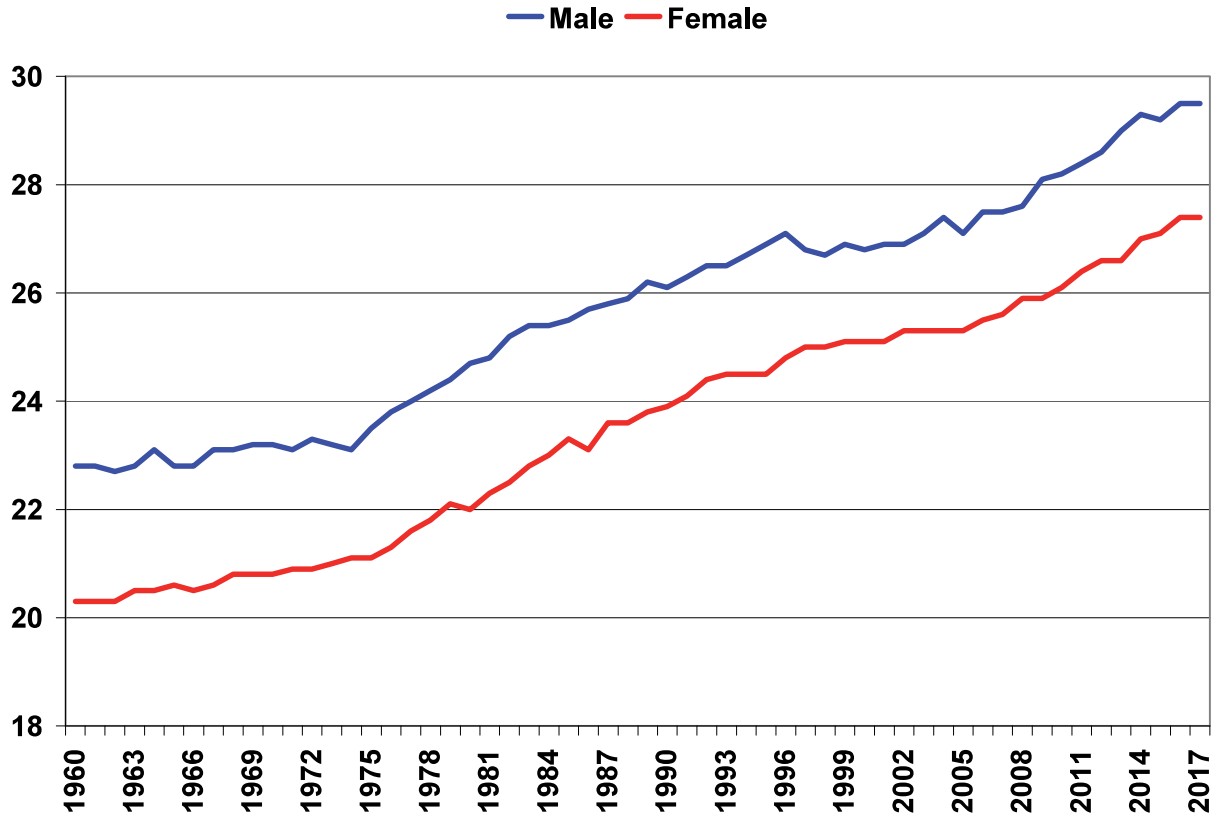
There is a demographic perspective for the value shifts that Twenge (2014) describes in modern western society. At the core of this perspective, referred to as the second demographic transition, is the idea that in post-modern societies tradition has largely ceased to function as a guiding principle in people's lives (Trovato, 2015). There are pervasive tendencies among young people in post-modern societies to follow an ethos of individualism manifesting itself in a personal desire for greater self-fulfillment and a growing tolerance of diversity (Trovato, 2015). The idea of the second demographic perspective dovetails with Twenge's (2014) findings as well as other demographers' descriptions (see Bonvalet et al., 2015) of gradual cultural changes/shifts such as the rise in individualism. The second demographic transition follows the first demographic transition (defined as the historical shift of birth and death rates from high to low in a population in industrialized countries over the 20th century, see Haupt & Kane, 2004). The second transition explains further declines in the fertility rate along with lower rates of marriage and the growing diversity of family relations as part of the shift in values away from the family towards the individual (see Trovato, 2015). Bonvalet et al. (2015) also discuss the gradual cultural changes such as the rise in individualism and values of personal autonomy, changes in childrearing with the child now occupying a more central place in the family and the emancipation of women. Though as previously discussed the HR literature seems to overstate the conflict between the generations, there certainly are generational differences, with the caveat that these shifts reflect broad cultural changes occurring gradually over several decades.

If differences between generations reflect broad societal/cultural changes as Twenge (2014) contends, then it makes sense to examine some of these wide-ranging shifts as they pertain to the workplace. If performance appraisal is to be a viable method of performance management then it must be in step with changing workplaces as well as with broad cultural/generational changes. The following section will examine these extensive societal and cultural changes that are reflected in demographic transitions into adulthood. The next section after that will discuss workplace changes such as delayering and shifting career patterns.

DELAYED TRANSITIONS TO ADULTHOOD

It is commonplace to make comparisons between generations regarding their transitions into adulthood. Earlier this decade two papers with similar titles about the baby-boom echo or generation Y were published. The paper titles were both a take-off on a popular rom-com movie from 2006 entitled "Failure to Launch". One paper with a strong economic focus was decidedly more negative about this young generation and it was entitled "Failure to launch: Structural shifts and the new lost generation" (Carnevale, Hanson & Gulish, 2013). The earlier paper (Venne, 2010) had more of a life-course or demographic focus and was decidedly more optimistically titled "Longer to launch: Demographic changes in life-course transitions". Early adulthood is a demographically-rich period with a number of transitions occurring (e.g., leaving home, educational attainment, first career job, union formation). The latter paper concludes that the delayed demographic transitions into adulthood (relative to previous generations) make sense given increased educational attainment and longer lifespans. One such delayed transition is the increase in the age of first marriage from the early twenties in the 1960s, gradually rising to the late twenties during this century (see Figure 3). Coontz (2005) describes how the transition of marriage was once the gateway to adulthood and respectability. Marriage was the predominant route out of the family home with near universal rates of marriage (Michell, 2006). Today demographers discuss the flight from marriage since the 1970s, which includes declining rates of marriage, increases in divorce, increased cohabitation and later age of first marriage (see Trovato, 2015).

FIGURE 3
MEDIAN AGE OF FIRST MARRIAGE, UNITED STATES, 1960 TO 2017



Source: United States Census Bureau, (2017c)

Generational comparisons between parents and children are inevitable but it is important to take into consideration changes in educational requirements, economic conditions as well as career pattern changes. Simply put, the lockstep early transitions into adulthood for earlier postwar generations have become less orderly, more prolonged and precarious for today's young people (Venne, 2010). While some (see Levine, 2005) lament the delayed transitions into adulthood compared to the earlier postwar decades (labelling it as work-life unreadiness) most researchers have some recognition that prolonged adolescence and delayed transitions are likely the new norm given longer periods of education, changing career patterns and more complex jobs. For example, Ewenstein, Hancock and Komm (2016) note that we have moved from the industrial to the digital age, resulting in jobs that are more complex (involving more problem solving, teamwork and knowledge) and thus require employees who are more educated.

Other defining postwar shifts include more of a focus on the child. This is another long-term trend as Ricard (1994) and Bonvalet et al. (2015) propose that the child increasingly becomes the focus of the household in the postwar period. This stronger child focus is coupled with smaller families and more intensive parenting (see Twenge, 2017). Regarding the latter point, Venneberg and Eversole (2010) discuss the child as being an active participant in home life in terms of family decision making. It is not surprising that young people would have similar expectations in their workplaces in terms of engaging in communication and being part of decision making. Relatedly Twenge (2014) notes the long-term trends of increased informality in communication and loosening of social rules have resulted in increased questioning of authority among young adults. Overall the broad societal changes affecting young people today include the rise in the focus on the individual and the decline in need for social approval manifesting itself as a rise in overall personal agency and lower power distance in the workplace, smaller

family size (including increasing importance of the place of the child in the household) and prolonged adolescence and later transitions into adulthood.

Twenge and Campbell (2012) conclude that having grown up with different experiences, technology and culture than the generations before them, young people, specifically the baby-boom echo, have different expectations and preferences as they enter the workforce. Several researchers (e.g., see Egan, 1994) have covered the changing informal contract between employee and employer or what Twenge (2014) refers to as the new democracy in the workplace.

Twenge describes the younger generation as growing up more slowly as she noted a decline from the baby boom to the baby-boom echo generation in working part-time and during the summer (Twenge, 2017). Given reduced work experience among young people compared to previous generations it is possible that work attitudes of baby-boom echo high-school students in her time-lagged surveys may be more naïve in terms of work expectations. In fact Twenge (2017) contends that today's 18-year olds are more similar to past 15-year olds in terms of job readiness. Again generational comparisons are inevitable and it does seem that young people are delayed/slower at transitioning into the roles of adulthood compared to earlier generations. Whereas early baby boomers were often job ready at the end of high school and were transitioning out of the family home into early marriage, today's youth are more likely to be living at home and engaged in post-secondary education.

Yet as generations reflect cultural change it is important to keep in mind that most of the changes are a long time coming. Twenge (2014) refers to gradual changes with time and not sudden shifts from one generation to the next. This loosening of the social structure and rising sense of individualism signifies a stronger sense of agency as people feel more masters of their destiny. How this might manifest in the workplace, particularly in the application of the performance management process, will be covered in the following sections.

POSTWAR CORPORATE STRUCTURE

To understand the period when performance appraisal became an entrenched part of workplace culture it is important to provide some context to this period of history. The workplace of the 1950s when performance appraisal became commonplace is certainly not the workplace of today. The 1950s workplace can be characterized as rigid and patriarchal when workers accepted being judged and the manager's word was final. In the book *Death of the organization man,* Bennett (1990) traces the changes that occurred over the postwar period. In terms of the economic context of the immediate postwar years, North America experienced the so-called thirty glorious years marked by a period of unparalleled prosperity, a steady rise in the standard of living, rapid expansion of consumerism and an acceleration of technological development (see Bennett, 1990; Ricard, 1994). All of this prosperity was aided and abetted by the interventionist role of governments. For example, the American government provided education, job-training benefits as well as guaranteed mortgages and loans during the early postwar period (Mitchell, 2006). Bennett (1990) also documents that this three-decade long period of postwar heady growth was characterized by great stability in the form of low unemployment, low inflation and muted global competition. The manifestation of this postwar prosperity resulted in one-company for life employment (especially for white-collar workers) as employers tried to tie employees to their companies, as well as explosive growth as firms added more middle managers to increasingly tall and bloated organizational hierarchies (see Bennett, 1990; Bardwick, 1986). Bennett (1990) describes the structure of a typical large organization as follows: strict hierarchies with annual performance reviews, organized pay structure, and a system of rigid graduated promotions. The purpose of performance appraisals in this era was strictly administrative. They were designed to evaluate performance, requiring managers to judge those employees who would be rewarded with raises and promotions and those who would not.

CAREER PATTERN CHANGES

After a long and prosperous postwar period of industrialism in North America, the transition to a post-industrial age (with greater competition due to the rise of other economic powerhouses) led to some economic turmoil during the last few decades of the 20th century (see Betcherman & Lowe, 1997). Indeed the decade of the 1980s can be viewed as a turning point for career patterns as organizations shed the middle layers of their previously tall hierarchies through delayering and downsizing in favor of a speedier and leaner workforce. Career patterns that were once stable with a life-long attachment to one firm became increasingly unpredictable and precarious. The new career pattern involves more job insecurity with more involuntary and voluntary turnover, in essence transferring risk from the organization to the individual in terms of career management (Leana, 2002, see also Egan, 1994).The earlier postwar standardized life course with its orderly sequence of transitions had become more complex and prolonged.

With all of these postwar changes (career, demographic and generational) it is instructive to ask if the performance appraisal has evolved in tandem with the career pattern changes and any cultural/generational changes or if it is still stuck in the rigid structure of the 1950s.

TRADITIONAL PERFORMANCE APPRAISAL

The performance management process has been one of the most closely examined management practices over the years. It has been touted by some as the key to organizational success, while it has simultaneously been maligned by others as a contributor to organizational stagnation. But as Cappelli and Tavis (2016) state "Performance appraisals wouldn't be the least popular practice in business, as they're widely believed to be, if something weren't fundamentally wrong with them" (p. 67). Recently there have been calls to reform PA. Several authors have actually advocated the abolishment of the performance appraisal with two early 21st-century books on this topic (*Abolishing performance appraisals: Why they backfire and what to do instead,* by Coens & Jenkins, 2000, and *Get rid of the performance review!* by Culbert & Rout, 2010). In order to understand these conflicting viewpoints and relate the PA to cultural/generational change it is necessary to briefly define and examine the evolution of the performance-management process in North American organizations.

The terms performance management and performance appraisal have, for the most part, been used interchangeably over the years. However, a performance appraisal is really just one part of the overall performance-management process which Mohrman and Mohrman (1995) define as a "…broad term that has come to stand for the set of practices through which work is defined and reviewed, capabilities are developed, and rewards are distributed in organizations" (p. 69). The appraisal is the tool that is generally used to review and evaluate an employee's past performance (administrative aspect), sometimes with little regard for future goals and development (developmental aspect). In fact Cappelli and Tavis (2016) indicate that with their focus on holding employees accountable for past behavior rather than improving current performance and developing talent for the future, performance appraisals are ignoring the opportunity to build the workforce the organization needs to be competitive in the future and ensure its long-term survival.

Performance appraisals have persisted as a predictable part of organizational life since the beginning of the 20th century but really became commonplace in the immediate postwar period. Cappelli and Tavis (2016) point out the strong influence of the U.S. military in the initial development of the appraisal process. During World War I the military devised a merit-rating system to identify poor performers for discharge or transfer with further refinements during World War II. Coens and Jenkins (2000) assert that Frederick Taylor and Henry Ford also had roles to play in cementing the appraisal as a lasting element in organizational life. Taylor's theory of scientific management coupled with Ford's assembly line focused on controlling the tasks and behaviors of employees. But as working life expanded beyond manufacturing into the retail, service, education and public sectors, it was not as easy to control work (and employees) through task simplification and repetition. The performance appraisal provided a tangible approach for

managers to exercise control over their employees and ensure there was a level of accountability in service, office, and managerial positions. Thus, throughout the 1950s the performance appraisal became a ubiquitous part of working lives (Coens & Jenkins, 2000).

Mello (2015) describes various common characteristics of a traditional, administratively-focused performance appraisal. They are generally designed to evaluate past, rather than current or future behavior with an emphasis on creating records and documenting performance problems. Communication is downward and one-sided. The traditional appraisal is very formal in nature with prescribed processes, forms and timing. The supervisor in this exchange is viewed as an authority figure holding all of the power in the relationship while the outcome of the appraisal is usually linked to a merit-pay scheme. Culbert and Rout (2010) agree that as a result of the hierarchical relationship between the manager and the employee, they are unlikely to have a candid conversation about what is needed to improve performance during the review process.

Performance appraisals are widely used to make administrative decisions, particularly compensation decisions. Merit-pay systems are, in most organizations that utilize them, inextricably linked to performance-appraisal ratings. In order for employees to accept merit-pay decisions as an accurate reflection of their performance, they must trust that the appraisal was also performed fairly and accurately. In fact Gray (2002) states that the "…conventional performance-appraisal system is more like gambling than an objective observation process. It can be distorted by evaluator bias and more often reflects the unpredictability of the organization's dynamics. Many employees are skeptical of the evaluation results and even more doubtful of the ability of managers who indulge in the annual flurry of paper" (p. 16). In fact recent surveys show employee dissatisfaction with PA (in a survey of Fortune 1000 companies) with 66% of employees expressing strong dissatisfaction and 65% of employees actually doubting the relevance of their PA to their jobs (Chun, Brockner & De Cremer, 2018). Furthermore, with merit-pay budgets as small as they are currently (Miller, 2017, reports mean salary budget increases at 3% in 2017), the value of a performance rating of exemplary versus average is minimal.

Coens and Jenkins (2000) contend that despite its intent, the appraisal has consistently failed to accomplish its goal of improving organizational performance, and "it is increasingly incongruent with today's business world and emerging patterns of work" (p. 51). Coens and Jenkins (2000) believe that the "…appraisal survives more out of unfounded belief and habit than any demonstration of success" (p. 34). In terms of current context, performance appraisals are still very common with more than 90% of firms providing evaluations at least once a year (see Chun et al., 2018).

THE FUTURE FOR PERFORMANCE APPRAISAL

Employers must recognize the economic and cultural shifts in the workplace which are reflected in generational values that impact employee expectations and interactions. With cultural and resulting generational changes younger employees in particular are seeking more empowerment and participation, less top-down control, more flexibility, and more feedback. The difference is that while companies expected previous generations to adapt to the organization and its policies and procedures, younger employees are demanding that the workplace adapt to their needs and desires (Twenge, et al. 2010; Venneberg & Eversole, 2010). Ewenstein et al. (2016) note that the old appraisal model was a better fit during the industrial era. Now we have moved from the industrial to the digital age and jobs are more complex and employees are more educated. Jobs involve more problem solving, teamwork and knowledge and the traditional appraisal fits jobs from another age. Evaluating against annual goals is challenging in dynamic environments where corporate objectives shift at more frequent intervals. These changes require a re-evaluation of traditional HR practices to determine if they are still useful and meaningful in driving organizational success in the 21st century.

Coens and Jenkins (2000) identify aspects of the changing nature of work that challenge the traditional performance-management process. The increasing focus on the individual (Twenge, 2014) and interdependence of work among employees along with a knowledge-based economy make outcomes less tangible and individual contributions to those outcomes less immediately evident. Therefore engaging in a

shift in performance appraisals from a tool used to monitor performance (administrative focus) to one that focuses instead on developing skills needed for the future (developmental focus) may generate more useful feedback for the individual employee and the organization (Vasset, Mamburg, & Furunes, 2010). If the goal of the performance-management process is to improve employee and ultimately organizational performance, Rynes, Gerhart, and Parks (2005) argue that the manager cannot act as both counselor (developmental focus: asking how can I help) and judge of that performance (administrative focus: anything you do or say can be used against you). The manager as judge clashes with the lower power distance evident in modern workplaces and with the greater sense of personal agency among employees. The manager as helper or coach in terms of career development also makes sense in terms of shifting career patterns.

As younger employees are less likely to expect a long-term career with one employer, growth opportunities are increasingly important to provide them with employment security rather than job security. Today, the traditional pattern where the organization controlled the development of the employee's career with carefully crafted job assignments arranged in a linear hierarchy is much rarer; much more common is the career pattern involving movement across specializations or disciplines (Bardwick, 1986; Bennett, 1990: Egan, 1994). Noe, Hollenbeck, Gerhart and Wright (2017) also indicate that employees today are more likely to take charge of their own skills growth by actively seeking out opportunities themselves either within or outside the organization. These actions are consistent with higher rates of individualism and personal agency which we expect to see in the baby-boom echo generation. The developmental aspect of PA uses the process of career coaching and mentoring. The process of helping employees plan their future careers can aid in employee retention and engagement all the while increasing the sense of employee control over their careers (see Cappelli, 2008).

However, the employee may be reluctant to be forthcoming about areas of performance he or she feels need improvement knowing that information will be fed into a merit-pay grid. Thus opportunities to address potential performance deficiencies are lost. Revising the system to focus on individual development and skill improvement will likely generate longer-term benefits for both the employee and the organization. As Lee (2006) states "…traditional appraisals were never designed to improve performance, only to measure and rate it" (p. 19). Thus re-designing the appraisal as a developmental rather than a rating tool may satisfy individual employee needs for growth opportunities and organizational needs for increased efficiency and productivity and at the same time be a better fit for the modern workplace. If organizations still require that they measure performance it makes sense to separate out the administrative from the developmental roles of PA. Beer, Spector, Lawrence, Mills and Walton (1984) recommended that evaluation for administrative purposes be kept separate from evaluations for career development to ensure that the former is more accurate and that the latter process is more open.

The psychological contract or unwritten set of assumptions (see Egan 1994) which drive the employment relationship have evolved with economic and cultural/generational changes in society. These changes discussed earlier include: less long-term employment guarantees; fewer opportunities for internal advancement due to delayering; increasing concern with work-life balance noted by Twenge (2014) and increasing employee responsibility for his or her own professional and technological development (Leana, 2002; Lyons, Schweitzer, & Ng, 2015; Baruch & Bozionelos, 2011). The revised psychological contract especially impacts younger employees and their expectations of the performance-evaluation process. If there is a trend towards short-term rather than long-term employment with each employer due to career pattern shifts, there is an even greater need for more frequent performance feedback as organizations make an effort to maximize employee contributions in the short-term. At the same time younger employees are focused on employment security rather than job security. As a result having opportunities for professional development are extremely important. Any effective performance-evaluation system must consider all of these somewhat contradictory factors to establish a compromise that will benefit both employee and employer.

A complete discussion of the newer forms of PA is beyond the scope of this paper. Suffice it to say that PA is evolving and one major change is the concept of more frequent feedback. In most organizations the evaluation process is triggered by a calendar event (either the employee's anniversary date or a date

set organization-wide) rather than offering feedback when it is needed. This can lead to both managers and employees forgetting significant events (both positive and negative) and a failure to correct and provide guidance (or equally provide praise) at the most meaningful time – when the event is actually occurring. Coens and Jenkins (2000) recommend that feedback be available to employees all the time such as the concept of a just-in-time (JIT) appraisal. Opportunities for growth can occur at any time, and may differ widely for different jobs or different employees. The performance management system must be flexible enough to allow managers to respond to employee behaviors when they are occurring and to allow employees to seek out assistance and growth opportunities when they need them.

CONCLUSION

The administrative side of performance appraisal was designed as a 'report card' for an employee – a way to evaluate past behavior and a tool to distribute rewards. However this process has become an end in and of itself and the potential to discuss improvements for future performance has been lost. In the traditional appraisal the manager spends time trying to convince the employee that his or her opinion of the employee's past performance is the right one (Coens & Jenkins 2000). It is a process that is focused on an outdated hierarchical power relationship which doesn't lend itself to frank discussions. A focus on the developmental aspect of performance management in order to improve future performance with the goal to increase productivity, build skills and develop competencies makes more sense in today's workplaces given cultural/generational and career pattern shifts. Recognizing that particularly younger employees not only want but in many cases demand more participation in decisions and actions that impact them on a daily basis and in their long-term careers, the evaluation process must be more of a conversation than a one-sided "tell and sell" from the manager. Communication must be two-way with the employee's opinions, facts and needs given weight in the process. When employees perceive that they are part of the process it is likely to increase perceptions of both procedural justice and distributive justice (Torka, Schyns & Jan Kees, 2010). Recent research (see Chun, et al., 2018) supports the developmental aspect of PA with the finding that temporal comparisons (comparing employees' current performance to their past performance) were perceived by participants to be more individualized and fairer than social comparisons (to colleagues' work performance). Recognizing how an employee's performance has changed over time (developmental focus or individualized attention) dovetails with the cultural/generational change of increased focus on the individual.

Given the long-term trend toward individualism and a decrease in the need for social approval, the judging or administrative aspect of PA will be less acceptable to younger employees. With increased personal agency and lower power distance between employee and employer, employees are less likely to accept the manager as judge. Furthermore the administrative role of PA is less useful today with flatter hierarchies and the desire for flexibility on the part of the younger generations (Twenge, 2014). The developmental aspect of PA makes sense given the changes in career patterns, such as fewer life-time careers with one firm and the new contract or what Twenge (2014) refers to as the new democracy in the workplace. With the change in the traditional ideal career came a shift in the way employees viewed their relationship with their employers in that individuals were no longer willing to accept the paternalism and limitations imposed on them by the traditional career model (Leana, 2002). In this paper we have combined a broad demographic examination of cultural/generational issues with an analysis of changing career and business practices with respect to the practice of PA. By combining a demographic analysis with an examination of changing workplaces we attempt to shed light on generational issues and career pattern shifts with a focus on the much-maligned performance appraisal. We recommend a much stronger emphasis on the developmental aspect of PA as well as much more frequent feedback and mentoring that fits with a more individualistic younger workforce and a less hierarchical workplace.

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