

## **Organizational Consultation XXIX: Portfolio-Based Assessments**

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I turn now to the final approach to performance appraisal. I have saved this for last, because it is by far the most appreciative of the approaches I have identified in this set of essays. The portfolio has been used for many years in the creative and performing arts. More recently it has been used in the evaluation of professional employees and high-level executives. This structured documentation process requires that both the supervisor and subordinate accept a set of categories that define the scope of an appraisal of the subordinate's work.

These categories might relate to functions, competencies, objectives or goals. Once the categories are established, an employee is responsible for documenting his success in each area. Other people from inside and outside the organization might be included in the process to help establish the categories, review the documents or arbitrate disagreements between the employee and his supervisor. The group might be composed of subordinates, peers, colleagues who operate at the supervisor's level, and even customers or members of the local community.

### **The Portfolio Process**

I will describe the portfolio process in greater detail than is the case with the other methods being presented. I provide this more extensive description in large part because little has been formally written about this richly textured approach to performance appraisal. While the portfolio approach to performance appraisal may at first appear to be so detailed and even cumbersome as to be impossible of implementation; employees, it would seem, will be doing little else but collecting information for their portfolios. In practice, this has not been the case. As the process becomes a routine and as employees gain the experience and skills needed for effective documentation, portfolios have become a normal and accepted part of institutional life. For the most part, employees appear more than willing to invest their time in an evaluation process over which they have some control.

There are three essential features to a portfolio. First, a series of categories is established which determines the areas in which evaluation will take place. Second, a set of documents is collected which indicate the quality of performance in each category. Third, a review committee is established to assist and review the entire process. It must be made clear that a portfolio is not an unstructured gathering of miscellaneous information; it is, instead, a structured procedure that enables an employee to assume primary responsibility for determining what methods will most sensitively assess his performance.

### **Selection of Portfolio Review Committee**

The review committee must be selected prior to any major decisions about the portfolio. This committee should consist of the employee whose performance is being assessed plus his supervisor. In addition, it is useful if the committee includes one or more of the following individuals: another employee of comparable status, a member of the organization's employee review committee or representative of the HR department, a consumer, someone from outside the institution (a member of the community, a board member, an employee from another institution) and a consultant to the portfolio process.

Each of these individuals will provide a unique perspective on the employee's performance, since each represents a different type of formal or informal relationship with him. When assessment criteria are vague, as they often are in the case of professional evaluations, these diverse viewpoints are particularly valuable. The consultant, although not directly involved in the evaluation of the employee, can be useful in bringing past experiences to bear on the design of the portfolio procedure. This person might either be someone involved with professional development programs or an employee who has used this procedure before for his own evaluation.

### **Definition or Identification of Portfolio Categories**

The detailed specification of categories or areas for evaluation is essential to the effective portfolio; without such clarity the process can easily deteriorate into a disorganized or *pro forma* procedure. Categories for evaluation can be determined in one of three ways. First, the employee, perhaps in consultation with the committee, can undertake an analysis of her own strengths and weaknesses. Out of this self-assessment, a list can be developed of specific activities that capitalize on her strengths.

Particular areas for improvement can then be identified. This tentative listing of contributions is then negotiated with the committee and, in particular, with the department chairperson, until a specific contract is developed. The basic elements or areas of responsibility in that contract then become the portfolio categories.

A second way of developing categories omits a formal self-assessment and begins instead with direct negotiation between the employee and her supervisor. The portfolio categories might be based on responsibilities listed in a formal job description or on the employee's list of performance objectives for the coming year. The employee and supervisor might instead want to focus on specific skills, knowledge or aptitudes that the employee will need to perform his job in the near future.

This assessment of needed competencies can be coupled with the assessments that are performed in establishing or updating a Human Resource Bank (see previous essay) in the organization. A third way of establishing categories is administrative; categories are commonly defined for an entire department, division and even institution. If common categories are adopted the committee may wish to consider refining them further. In the next step, common categories make the weighting of each essential if the portfolio is to reflect the unique abilities and achievements of each employee.

Four modes of categorization are often considered in setting up a portfolio: long-range goals, short-range objectives, specific competencies or assigned functions. Any specific portfolio might contain categories representing each of these types; however, the employee and his committee may wish to consider developing the categories for the portfolio around a single type. The first of these four modes, long-range goals, seems appropriate when an individual has major responsibility for a large-scale project and when the successful completion of this project can be identified with some clarity. A goal-based categorization might include the various components of this project or it might be composed of those overall goals in the organization that specifically relate to this employee's operations.

The second mode of categorization is based on the daily activities of the employee who is being evaluated. An objectives-based portfolio might include such categories as the preparation of a particular proposal, the implementation of a specific program innovation, or the publication of a certain book or article. The third mode of categorization concerns an employee's competencies. This

mode is often used if the portfolio process is linked to a developmental plan for the employee (see previous essays in this series).

A competency-based portfolio might include categories such as interpersonal communication, group process facilitation, program design or departmental decision-making. The fourth mode, job functions, is most often used when there is a clear job description and when the employee's work assignments are relatively stable. A functions-based portfolio for a mid-level manager might include such categories as planning, supervising, delegating, evaluating and motivating. Whichever mode the portfolio committee adopts, it is crucial that each category be as clear and specific as possible.

### **Assignment of Weightings to Each Category**

The portfolio procedure must be individualized whether or not the portfolio categories are individually developed for each employee or uniformly developed for a group of employees. This is done by weighting each category. The assignment of weights reflects the notion that certain categories are more important for a particular employee than are other categories. The weighting of categories can be either direct or relative. A particular number of points are assigned to each category when the weighting is direct. Relative weightings involve one of two procedures. Categories can be ranked from the most to the least important. Alternatively, a percentage can be assigned to each category reflecting the proportion of an employee's entire professional responsibility that this category represents. For instance, 20% might be assigned to planning, another 30% might be assigned to supervision, and so forth.

The category weightings will produce a profile for the person who is being reviewed. There are several different ways these weightings can be used. First, they can determine the *extent of documentation* that is to be expected in each category. Higher-weighted categories may require more documents than categories with lower weightings. Second, the weightings can determine the *type of documentation* that will be expected or required. Highly weighted categories might, for example, require more substantial confirmation than categories with lower weights. Third, the weightings can be used to determine the *degree of accomplishment* that is expected. A low priority category represents an area in which only routine performance is expected, while a high priority category is associated with expectations of significant achievement.

## **Survey of Existing Documents and Precedence**

Though the documents that are collected for any particular portfolio should reflect the unique characteristics of the employee who is being assessed, the committee need not start anew each time in identifying appropriate documentary methods. The employee should have access to an organized collection of documents produced in previous portfolio assessments and a set of standard documentary procedures that are applicable in many settings. The knowledge and resources of the consultant will be particularly important at this point, for he should have access to the wide range of existing performance appraisal instruments and procedures.

Of course, the employee is free to identify or develop his own documentary procedures and instruments, while making use of some that already exist. All members of the review committee can benefit from past portfolios. Although documentary procedures should never become rigid or prescribed, precedence can be developed with reference to particularly useful documents, productive review committee procedures, and so forth. A primary role of the portfolio consultant is to make this experience available to the employee and other members of the review committee.

## **Delineation of Plans and Schedules for the Collection of Documents**

Although the portfolio approach is very flexible, the process needs to be carefully planned, with firm deadlines, committee agenda, and explicit statements of accountability. Because the portfolio may become complex, and because it is the product of a small committee composed of busy people, it is essential that the committee formulate its plans in concrete terms with clear deadlines. Dates for the submission of certain types of documents must be set. Meetings to review documents must be established at the start of the project; otherwise, they may never take place. Each member of the committee must commit herself to review of all pertinent documents and to attending all review committee meetings. Unless all members of the committee undertake a knowledgeable review of all aspects of the employee's portfolio, the review will be a waste of time for all concerned.

## **Identification of Documentation Procedures**

The major responsibility for collection of documents lies with the employee being assessed. Although she may receive considerable help from the portfolio consultant, the employee herself is given the task

of demonstrating her own effectiveness by assembling a series of documents that relate to the specific categories developed by her review committee. Questionnaires are the most obvious and frequently used form of portfolio documentation. Customer satisfaction rating scales are common. Activity reports on employee performance are also often used for portfolio documentation. An employee might keep a weekly or even daily diary of job-related activities.

Interviews are another rich source of information about an employee's performance. These interviews can be done with other employees, customers or other people who have observed the employee in action. An effective and appreciative portfolio interview should be at least one hour in length and should focus on the strengths of the employee and the opportunities for the employee, especially in the category areas.

An appreciative interviewer will also attend to those areas of expertise that the employee is not now using. In addition, the interviewer will focus on the external forces that seem to help or hinder the employee—particularly with regard to the goals, objectives, competencies or functions that are the focus of the portfolio. If each member of the review committee, or two or three colleagues not closely involved with the employee, were to agree to conduct only two appreciative interviews, a considerable amount of useful, first-hand information could be collected for the portfolio.

Another source of documentation, letters of recommendations and endorsement, is rarely useful in isolation; the accumulation of a large number of recommendations or endorsement usually reflects the popularity or persistence of the employee rather than his competence. If recommendations or endorsements are used, they should come from a diverse population. They should be descriptive rather than heavily evaluative and should be supported, if possible, by direct and specific evidence.

Yet another source, archival documentation, is much more impressive than letters of recommendation, given that these documents were not generated specifically for the portfolio process. Archival documents accumulate every day as part of the basic operations of an organization. These documents can be rich in information, especially if selected in a thoughtful manner. Data on program attraction and attrition, for example, can be useful in assessing the impact that an employee has had on internal or external customers.

Portfolios might also include samples of the products for which the employee is in part responsible. Surprisingly, this type of document is often ignored. The employee's creativity and sensitivity are challenged in the identification of particularly illuminating items. Finally, the self-report of the employee being assessed is valuable—perhaps even essential. This should include a personal assessment of achievements in each portfolio category and an explanation of any contradictory or unclear documents in the portfolio.

While no one portfolio will probably contain all of these documents, the portfolio consultant should be familiar with each type. Examples of each type should be readily available. These examples will, of course, become increasingly valuable as an organization continues to make use of the portfolio procedure. The files will become more extensive, allowing employees both to draw on a wide range of possible approaches and to develop new techniques in particular areas, thus further expanding the available portfolio resources.

This accelerating spiral should be kept clearly in mind as the initial problems of implementing a portfolio procedure are confronted. Although the experiences and instruments of another organization can be of value to a newly established portfolio program, each organization may need to work through the early, frustrating steps of developing procedures and materials that specifically address this organization's unique conditions.

### **Review of Documentary Procedure by the Committee**

At the heart of an effective portfolio procedure is the interaction between the employee who is being assessed and other members of the review committee. When the employee has identified or developed means for documenting his performance in each portfolio category, he should review those decisions with the committee. Although the committee rarely has veto power over the methods being employed, the employee who is being reviewed should give serious consideration to the early reaction of committee members to the methods he will be using.

### **Collection of the Documents**

This step is the most important and potentially the most difficult. There are very few specific suggestions that can be made here about this step, for it will differ in scope and nature from one

portfolio to the next. The portfolio consultant, however, can be particularly useful at this stage, providing the employee with suggestions, resources, personal assistance and support during difficult periods.

### **Formal Organization, Review and Approval of the Portfolio**

If the employee and review committee have done their work through the first eight steps, the ninth will be easily accomplished. The employee organizes her portfolio documents around the categories that her committee has identified. The committee then analyzes these documents with reference to the weightings given each category. The employee may be asked to clarify or define certain documents in her self-report. The committee may request, with the employee's approval, that other people be brought in for brief interviews in order to expand its understanding of a specific point or confirm a specific conclusion, observation or analysis. These additional requests are rarely made. Typically, the portfolio review can be completed in one session of two to three hours.

The committee should prepare a summary report and evaluation. Several copies of the portfolio, with the summary report, are then duplicated. One copy is given to the employee and one or two copies are filed in the office of the employee's supervisor or department. The portfolio should be made available to others only with the employee's approval. After the portfolio consultant has removed all names and identifying information, portions of the portfolio can be made available to others who are engaged in their own review process.

### **Revision and Documentation of the Portfolio Process**

After the committee has formally approved the portfolio, it has one other brief task to perform. The committee must review the procedure that it followed in developing the portfolio. The consultant should take the lead in ensuring that the committee reviews its process: What was learned about how portfolios should be developed? What problems can be avoided in the future? How can they be avoided? What were the real accomplishments of this specific process? How can these accomplishments be incorporated in the development of other portfolios? The recommendations of the committee, together with anonymous portions of the portfolio, should be made available to other review committees and should be kept on file at the consultant's office. In this way, the portfolio



procedure can be self-renewing and the review committees, as well as the employees being assessed, can be held accountable for their decisions and actions.

### **Benefits of the Portfolio Process**

The portfolio process offers benefits to both the employee who is being assessed and the organization in which the portfolio is being developed. For the individual employee there are at least six significant benefits.

1. the employee is given a chance to examine her professional performance with the assistance of a review committee composed of people with diverse perspectives; this provides a venue for constructive feedback that is rarely available in most organizational settings;
2. the employee can obtain valuable advice from members of the review committee concerning areas which need improvement; these individuals are not only knowledgeable about her professional performance but are also committed to supporting her improvement efforts;
3. the employee is given an opportunity to devise methods that are particularly sensitive to her areas of responsibility; she can use these methods again when asked to document her achievements or when planning for her own ongoing development;
4. the employee is assured of an equitable, documented review by a committee; she doesn't have to submit to an arbitrary, undocumented review by her supervisor nor does she have to stand before a review committee that has made no commitment to her own welfare;
5. the employee can use the documents that have been produced for her own career advancement; they provide her with a distinct advantage over other employees who do not have access to an extensive and well-organized portfolio;
6. the employee can integrate her portfolio with the comprehensive professional development or career ladder program of her organization (see previous essay) .

The organization that makes extensive use of portfolios will typically enjoy the following benefits:

1. the portfolio provides an equitable, open process for the review and evaluation of an employee's performance;
2. the portfolio procedure is one which will hold up under both legal and union review;

3. the portfolio provides valuable guidelines in the development of services for employees who wish to improve their performance;
4. the portfolio procedure enables representatives from various constituencies to become actively involved in the review of this organization's employees;
5. the portfolio procedure can be used to encourage the ongoing collection, analysis and use of information about the functioning of the organization and, in particular, the nature and scope of the human capital that already exists in the organization (see previous essay)
6. the portfolio can serve as a model and catalyst for the reform of other performance appraisal systems that operate in the organization.

More generally, portfolio processes can promote new levels of trust between employees, supervisors and others involved in the review process. It can make a performance appraisal system truly appreciative. The flexible, yet thorough, procedures that are followed in developing a portfolio enable a review committee to make an accurate assessment of the achievements of an employee and at the same time provide an employee with valuable information concerning areas in which improvement is needed. The portfolio procedure is compatible with the publicly acknowledged values of most contemporary organizations to promote open and rational analyses of people, programs and problems. The portfolio process will also reduce the animosity that so frequently accompanies performance appraisal systems.

Specifically with regard to the ten functions mentioned in a previous essay in this series, the portfolio procedure can be an effective, although initially inefficient, procedure for personnel decisions (Function One) and can be used in conjunction with many developmental programs (Function Two). It can also be incorporated in institutional goal setting (Function Three) and role clarification (Function Eleven), if the formulation of categories is made part of the clarification process with regard to the goals or roles. Portfolios are very effective in helping to build a team (Function Four), especially if team members help to establish the portfolio categories and collect the documents.

Since a portfolio is developed by and for an individual, the procedure is rarely useful in the identification of staffing needs (Function Five) or in the testing out of interpersonal perceptions (Function Ten). Portfolios are also inappropriate for most research purposes (Function Nine) -- unless the research incorporates qualitative methodologies. The portfolio is uniquely appropriate as a vehicle

for accountability (Functions Six, Seven and Eight) and as a model for professional development (Function Twelve).

A portfolio-based approach to performance appraisal may be of particular value when used in many human service agencies, high tech firms, and research and development departments, where criteria for successful job performance are often vague or contradictory. The contracting that occurs between an employee and his supervisor or a portfolio committee can't help but serve as a vehicle for the continuing clarification and expansion of this employee's accountability. The time and effort that goes into a successful portfolio process is richly rewarding with regard to the benefits that accrue to not only the employee being reviewed, but also all who assist the employee in completing this highly appreciative appraisal.

### **Concluding Comments**

Regardless of the performance appraisal method being used, the results of this appraisal should be treated with sensitivity and appreciation. A performance appraisal provides only a rough assessment of the complex tasks that an employee performs and the subtle effects this employee has on her organization. Performance appraisals should never serve as the exclusive basis for personnel decisions about retention, promotion or salary. At best, a performance assessment can indicate whether job performance is above or below standard,<sup>i</sup> but it can rarely provide information to show *why* or even *if* an employee's performance is exceptional. Neither can a performance appraisal help an inadequate employee determine why she is not successful. *A performance appraisal may help identify success or failure, but it usually provides no explanations.*

Performance appraisal and employee development should go hand in hand. Unfortunately, the appraisal system may be so controversial that the department responsible for developmental activities wants to stay clear of it. There may be a perception that any association with performance appraisal will taint the training and development department and either shatter its credibility or compromise its neutrality. Sometimes the negative feelings about performance appraisal are based on justifiable concerns about being evaluated. No one is excited about discovering shortcomings. More frequently, however, the negative attitude toward performance appraisal is based on an equally justifiable reaction against a deficit-oriented, inadequate or inconsistent system.

The department responsible for employee development may choose to stay clear of this problem, but its training and education work will suffer as long as the appraisal system is inadequate. If nothing else, a trainer or educator should informally help those who are working on the performance appraisal system so that they might develop an equitable, systemic program that encourages growth rather than eliciting defensiveness. Optimally, the development department will be involved directly in the design and successful implementation of this system. Without violating confidentiality or mixing roles, members of this department can incorporate results from these appraisals in the assessment of program needs for the organization and in counseling employees regarding future developmental plans.

Ultimately, performance appraisal itself is not very important. The benefits to be derived from performance appraisal are to be found in the actions that are taken by the employee and the organization in response to the information contained in this appraisal. These actions are more likely to ensue and are more likely to lead to effective outcomes if this appraisal is appreciative in nature and if it is directly linked to the other appreciative strategies described in this series of essays. Such partnerships inevitably will more fully liberate the human capital that often lays dormant in 21<sup>st</sup> Century organizations.

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<sup>i</sup> Alan L. Patz, "Performance Appraisal: Useful but Still Resisted," *Harvard Business Review*, 1975, 53, 74-80.