Identifying Criteria for Continuous Evaluation of Software Engineers for Reward and Recognition: An Exploratory Research

Sreejith S. S., Department of Management Studies, Indian Institute of Science, Bangalore, India
Muthu Mathirajan, Department of Management Studies, Indian Institute of Science, Bangalore, India

ABSTRACT

Reward and Recognition (R&R) should be given to employees in a timely manner, based on continuous evaluation of their performance. Success of an R&R process lies in clear and well defined criteria for continuous evaluation of employee performance. Often such criteria are decided by the organization with no input from the employees. The purpose of this paper is to use qualitative research methods to explore and identify the criteria to be used for continuous employee performance evaluation for R&R in Information Technology organizations, from the perspectives of software engineers (SEs) and project managers (PMs). Exploratory research was conducted in two phases. In Phase I, unstructured interviews are used to elicit information from 7 SEs. Caselets are prepared based on these interviews and 19 criteria are identified. In Phase II, the criteria identified in Phase I are confirmed using content analysis of semi-structured interviews, conducted on relatively larger group of SEs (in stage 1) and PMs (in stage 2). Additionally, 12 criteria are also identified in Phase II. Collectively 31 criteria are identified. The proposed criteria set is expected to comprehensively cover the SE performance on a continuous basis in various dimensions to award R&R.

KEYWORDS
Caselet, Content Analysis, Continuous Performance Evaluation, Evaluation Criteria, Project Manager, Reward and Recognition, Software Engineer

1. INTRODUCTION

Employee performance in organizations can broadly be classified into two – typical and maximum (Sacket et al., 1988). In general, maximum performance is regarded as the level of performance an individual can achieve when highly motivated (“can do”); While typical performance is the average level of performance an individual usually achieves over a period of time (“will do”) (Deadrick & Gardner, 2008). Employees exhibit typical (or average) performance when: (i) they are not aware that they are being evaluated on the job, (ii) they are not instructed to do their very best, and (iii) their job performance is assessed over an extended period of time (Klehe & Latham, 2008). So as to enable employees to exhibit maximum performance, the organizations need to make sure that their performances are evaluated in shorter intervals continuously; that the employees are aware that they are being observed and evaluated; and that the employees know what they should concentrate on.

Employee performances in organizations are formally evaluated often using the traditional performance appraisal system (PAS) (Arvey & Murphey, 1995). Performance appraisal is considered
as a formal interview that generates social interactions between managers and employees to formulate action plans through a discussion of the individual’s previous job performance and future developmental needs (Murphy & Cleveland, 1995). The PAS usually runs at pre-determined intervals such as annually or half-yearly (Agunis, et al., 2011) and evaluates the past performance of employees at the end of an appraisal period. However, due to the nature of rate of change of technology (Mendelson, 2012), a dynamic industry like Information Technology (IT) needs to have an agile and continuous performance evaluation process, running at continuously in shorter intervals (Sreejith, 2015). To facilitate a continuous evaluation at shorter intervals, the existing PAS should be made to run more frequently. However, because of the administrative effort associated with the existing PAS, Gray (2002) opines that it is almost impossible to have the PAS altered from its current frequency. Hence it seems logical to develop an alternative process for continuous performance evaluation.

Knowledge of results (via positive feedback) makes a basic contribution to employee performance (Bassett, 1979). Employees will not be aware that they are being evaluated unless there is proper communication or feedback from the managers. Jung et al. (2010) observe that positive feedback is most effective when it is delivered shortly after the completion of the task. They thrust the importance of real time feedback in IT organizations. One such positive feedback method is to provide reward and recognition (R&R) to well performing employees for their performance based on the continuous evaluation. In this research, we consider ‘Reward’ to be a materialistic form of appreciation (like certificates, plaques), while ‘Recognition’ is more of a spiritual element (a feeling of being valued). Although Reward and Recognition represents two different mechanisms of motivation (Hansen et al., 2002), for the purview of this research they are treated in unison and mutually inclusive. We use ‘R&R’ as a single entity. In this paper we focus on the Information Technology (IT) organizations, where employees are represented by software engineers (SEs) and these SEs are managed by Project Managers (PMs). For the purpose of this research, any employee performing software engineering activities with no supervisory role is classified as SEs and one who manages a team of SEs at a strategic level is considered as PMs.

The paper is organized as follows: a closely related literature review is briefed in section 2, the research methodology considered in this study and results obtained are presented in section 3, discussion and managerial implications are detailed in section 4 and finally section 5 concludes the paper.

2. LITERATURE REVIEW

There is a vast amount of literature which highlight that R&R is an excellent motivator of employee performance (Herzberg, 1968; Bradler, et al., 2012; Kosfeld & Neckermann, 2011; Oztoprak & Lundmark, 2007; Waldman & Spangler, 1989; Wiley, 1997). Studies related to IT professionals, highlight that R&R is a major motivational tool for software engineers (Agarwal & Ferratt, 2000; Baddoo & Hall, 2002; Franca et al., 2014; Ferratt & Short, 1986; McRitchie, 2008; Sharp et al., 2009). Software engineers are reported to be less motivated by financial inducements than by recognition they receive on the spot from doing their jobs well (Khalil, et al., 1997). Research analyzing the impacts of non-financial recognition among SEs upholds this claim (Merwe, et al., 2009; Tran & Ortiz, 2007). In addition, Baddoo & Hall (2002) suggest that an appreciative note in an employee’s staff appraisal report might be a more effective R&R than a small financial inducement. R&R is also found to be a major determinant which influences the SE’s intention to leave the organization (Ghapnachi & Aurum, 2011). Moreover, research also hints that lack of proper R&R motivates SEs to abandon their career (Colomo-Palacios, et al., 2014a). To be effective, R&R should be provided immediately and continuously (Nelson, 1996). This could persuade employees to display maximum performance.

One of the conditions to elicit maximum performance from the employees is to make the employees aware about what they should focus on, to do their best. Accordingly, the evaluation process should have crisp and clear criteria for performance evaluation. Therefore, the continuous