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PDI Research Shows that Bosses Don't Agree on Employee Performance Most of the Time

MINNEAPOLIS (June 5, 2007) – Research conducted by Personnel Decisions International (PDI), a global consultancy firm specializing in talent management and leadership development, finds the majority of employees who report to multiple bosses get inconsistent marks. In a study of 5,970 employees reporting to two bosses, employees who were rated "Outstanding - one of the best" by the first boss, were rated lower by the other boss 62% of the time and only "Somewhat above average" or less 29% of the time.

“Unfortunately, the concept of rater bias is something that almost every company encounters,” explains Brian Davis, executive vice president, practice areas at PDI. “This basically means that bosses are rating employee performance through their own biases. Some bosses tend to rate employees on how well they like them, rather than how well the employee performs. Other bosses tend to have their own rating systems where, for example, they rate everyone well. The problem with rater-bias is that it takes away the organization’s ability to objectively use data from performance evaluations with any validity.”

The research also shows that of the 5,970 evaluated employees, 80 percent received an “above average” rating from at least one boss, which is a contradiction in the definition of “average”. Of those who received an “above average” rating from one boss, 30 percent of the other bosses rated the same person in the bottom third of the distribution.

PDI says, to compensate for the inherent bias found in boss ratings, assessments that measure against specific standards on competencies and behaviors yield more consistent and reliable results.

“When two bosses are involved, it is crucial to use common standards for rating employee performance,” Davis continued. “By knowing which skills and competencies are important for the work and what types of behaviors constitute an ‘average’ rating compared to an ‘above average’ rating, for example, the entire validity and value of performance evaluations greatly improves.”

“When standards are not used, you can’t count on the objectivity or accuracy of a performance assessment and you have no differentiating data that allows you to make confident decisions about promotions, training or leadership development,” Davis continued. “Today’s best companies simply cannot leave their talent management decisions to chance. They need to know that the time and effort put into performance evaluation have a return on investment of making better talent management decisions.”

Most companies spend numerous hours conducting performance assessments on each employee. Across an entire workforce, the investment is substantial. When an organization cannot depend on the results of performance assessments due to rater bias, the full investment in the process is lost.

“Implementing performance management processes that accurately and objectively measure performance and get rid of rater-bias provide a more solid foundation for better talent management decisions,” said Davis. “This allows you to get the right people in the right positions.”

MEDIA NOTE

Look for future data releases from the *PDI Pulse on Leaders*.

The *PDI Pulse on Leaders* analyzes different workplace questions on a regular basis and can be used as a source for gaining insight on the inner values of talent management and leadership development.

About PDI (Personnel Decisions International)

Personnel Decisions International (PDI) is a global human resources consulting firm with distinctive expertise in building leadership talent that provides real competitive advantage. With more than 725 team members in 28 offices around the globe, we partner with the world's leading organizations, enabling them to make consistently effective decisions about leaders.

Using field-tested strategies, systems, and tools that are unique in the industry — we help clients identify, develop, and deploy superior leaders. Our aim is simple — the well placed confidence that your current and future leaders are distinctively stronger than the competition, resulting in sustained, superior performance.

For more information, contact PDI client relations at 800.633.4410 or visit PDI's Web site at www.personneldecisions.com