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Employees' Performance Evaluation at Teixeira Duarte

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Abstracts

English

Title: Employees' Performance Evaluation at Teixeira Duarte

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This research paper is based on the consulting project the author implements with the Client – Portuguese construction company Teixeira Duarte Engenharia e Construções (TDEC). Main challenge that was presented by the Client to the author is **obsolete and inefficient employee performance evaluation system**, which needs to be overhauled and taken to the competitive level compared to the other employers on the job market. Having conducted the literature review on the topic, the author has outlined the importance of proper performance evaluation system, as well as described key performance evaluation models used in the different companies around the world. The problem was analyzed with two main research methods: **employees' interviews**, which were aimed at understanding the current performance evaluation procedures at TDEC and **benchmark analysis**, which main goal was to analyze what are the best performance evaluation practices used by other companies. The interview analysis has shown that TDEC's performance evaluation system is not clear and transparent enough, as well as feedback given on employees' performance is untimely and oftentimes formal. Benchmark analysis has revealed that other employers on the job market mainly use Evaluation by Objectives (EBO) as the key performance evaluation model and conduct the performance reviews more often than it is done at TDEC. Based on identified areas of opportunities, the author has provided recommendations for the Client to improve their current performance evaluation system.

Keywords: employee performance evaluation, performance evaluation models, appraisal

Português

Título: Avaliação de Desempenho dos Colaboradores da Teixeira Duarte

Autor: Georgii Iliushchenkov

Este trabalho de investigação tem por base o projeto de consultoria que o autor implementa junto do Cliente – a construtora portuguesa Teixeira Duarte Engenharia e Construções (TDEC). O principal desafio apresentado pelo Cliente ao autor é o sistema obsoleto e ineficiente de avaliação de desempenho dos funcionários, que precisa ser reformulado e levado ao patamar competitivo em relação aos demais empregadores do mercado de trabalho. Após realizar a revisão da literatura sobre o tema, o autor destacou a importância de um

sistema adequado de avaliação de desempenho, bem como descreveu os principais modelos de avaliação de desempenho utilizados nas diferentes empresas ao redor do mundo. O problema estava sendo analisado com dois métodos principais de pesquisa: **entrevistas com funcionários**, que visavam compreender os procedimentos atuais de avaliação de desempenho no TDEC e **análise de benchmark**, cujo objetivo principal era analisar quais são as melhores práticas de avaliação de desempenho utilizadas por outras empresas. A análise das entrevistas mostrou que o sistema de avaliação de desempenho do TDEC não é suficientemente claro e transparente, bem como o feedback dado sobre o desempenho dos funcionários é inoportuno e muitas vezes formal. A análise de referência revelou que outros empregadores no mercado de trabalho utilizam principalmente a Avaliação por Objectivos como modelo chave de avaliação de desempenho e realizam as avaliações de desempenho com mais frequência do que no TDEC. Com base nas áreas de oportunidades identificadas, o autor forneceu recomendações para o Cliente melhorar o seu sistema atual de avaliação de desempenho.

Palavras-chave: avaliação de desempenho de funcionários, modelos de avaliação de desempenho, avaliação

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Introduction

Present master's thesis is going to be based on the consulting project that the author is conducting in collaboration with the Client – Teixeira Duarte Engenharia e Construções. In this chapter, author focuses on two things: (i) presenting **the Client and its business**, and (ii) describing the **topic of the Consulting Project and research questions**.

Prior to describing the research questions and challenges that the author is facing throughout the consulting project, it is important to provide basic information about the Client itself and their business. According to the official web-page of Teixeira Duarte Group, Teixeira Duarte S.A. is a major Portuguese construction conglomerate whose main areas of business are Construction (the first business line which was originally the main in the Group since its foundation in 1921), Concessions and Services (since 1984), Real Estate (1970s), Hospitality (1974), Distribution (1996) and Automotive (1991).

Having mentioned all areas of business of Teixeira Duarte S.A., it is important to state right away that the focus area of business within the scope of the present Consulting Project is Construction. Teixeira Duarte Engenharia e Construções is a separate legal entity which serves as a subsidiary of Teixeira Duarte S.A. in the area of Construction, and from now on, namely Teixeira Duarte Engenharia e Construções (not Teixeira Duarte S.A) may also be referred to as the Client.

Another important note to make regarding the scope of the project is that Teixeira Duarte Engenharia e Construções has two main divisions: Corporate (finance department, legal, etc.) and Construction (division responsible for implementation of construction projects themselves). As agreed with the Client, within the scope of the present Consulting Project, **author focuses solely on Corporate side** of Teixeira Duarte Engenharia e Construções, in order to be able to ensure deeper immersion into the topic, and avoid superficial analysis spread around different divisions of the organization.

Digging deeper into the corporate history of the Client, as mentioned above, the Construction business line of Teixeira Duarte was part of the Group's activities since its foundation, according to the official web-page of Teixeira Duarte S.A. Then-small-sized construction company was founded in 1921 in Lisbon by Ricardo Esquível Teixeira Duarte, and already in 1928 Teixeira Duarte became the first-ever Portuguese company to be contracted to implement maritime works on Vila Real de Santo António Port Quay. Over the next decades, Teixeira Duarte was successfully developing into one of the leading Portuguese construction companies at the time, which, within Portuguese market, could compete with the leading European enterprises. In 1951, Teixeira Duarte S.A. made an important step in their

history, having gone outside of Portuguese Mainland market by receiving contracts in Angola. From then on, international expansion of Teixeira Duarte was progressing, and so was its service offer (Teixeira Duarte launched activities in other business lines described in the paragraph above, with Real Estate and Hospitality being the first.

Nowadays, Teixeira Duarte Engenharia e Construções (TDEC) is one of the biggest construction companies in Portugal, with over 2,200 employees and ongoing operations in 17 countries across 4 continents (according to 2022 data on the web-page of TDEC).

Having immersed in the historical background of the Client and their business activities, author proceeds to presenting the main challenge that the Client has described, and, based upon this main challenge, infer four key research questions that the author is aiming to answer in the present master's thesis.

The key challenge that the author is invited to tackle by the Client is **obsolete and ineffective system of employees' performance evaluation**. During the first Client meeting, representatives of TDEC have described that their performance evaluation system has not been reviewed in years and is now behind analogical systems used by TDEC's direct competitors (in the construction sector), as well as companies in the other industries.

Given the challenge provided by the client, author has outlined **four key research questions** that help in tackling the problem the Client is facing:

- 1) What is current employee performance evaluation system at Teixeira Duarte Engenharia e Construções? (performance evaluation criteria, overall structure of evaluation process);
- 2) What employee performance evaluation systems are used by the other companies? (this analysis includes both competitors of TDEC and companies from other sectors);
- 3) What is TDEC employees' view of the current evaluation systems?
- 4) What recommendations can be given to TDEC to ensure the improvement of the current employee evaluation processes?

Having described key research questions that are answered in this master's thesis, author now proceeds to the following chapter, where he provides the theoretical background: overview of topic-related literature that are aimed to provide better understanding of the topic in question.

1. Literature review

1.1. Definitions and purposes of employee performance evaluation

It is essential to take a deep dive into the theoretical background of the employee performance evaluation, its objectives and different ways of conducting the appraisal process. To gain deeper understanding of the process from the scientific point of view, author analyzes several academic articles on the topic and synthesizes the main conclusions from them, and then builds a link between those findings and the research questions author is aiming to answer.

First of all, it is important to define what performance evaluation does and what it is aimed for. Multiple researchers give various versions of definitions of this process. For example, a comprehensive explanation of performance evaluation was given by Keeping and Levy (2000), who stated that the main goal of this process is to identify, assess and improve the performance of an organizational member within the given organizational structure and company's culture.

Many researchers also argue that well-established performance evaluation systems may have a positive effect on the performance of an employee. For example, Laegsgaard et al (2023) conclude that performance evaluations indeed do improve the performance of employees, by facilitating more frequent feedback-based communication between employees and their direct supervisors. According to the findings of this paper, more regular feedback sessions help employees stay up to date with their biggest areas of development and continuously improve their performance.

It is also noteworthy that, as well as any other activity of a company, employee performance evaluation must be constantly overhauled and examined in respect to its correspondence to the latest changes inside and outside of the organization. According to Vuong and Nguyen (2022), it is essential for businesses to make sure that their performance evaluation metrics are always up-to-date and reflect the most recent changes in business goals of the company, its activities and overall trends on the market (and in the other sectors).

Prior to going to the next part of the literature review, it is important to outline the parties involved in the process of employee performance evaluation. According to Jug et al (2019), effective feedback process (which employee performance evaluation factually is) requires two key parties: *feedback-giver* and *feedback-receiver*; in addition to that, Jug et al also outline the importance of considering the *environment* as an important part of this process.

When it comes to employee performance evaluation in corporate setting, **feedback-giver (FG)** is typically a manager who reviews the performance of their subordinate and decides on administrative implications of the review (promotion, pay raise, termination of contract). **Feedback-receiver (FR)**, in turn, is the one being evaluated by the feedback giver.

1.2. Employee performance evaluation models

Having discussed the definitions and purposes of employee performance evaluations (assessments), it is important to take a deeper dive into the theoretical background of the most commonly applied practices of such evaluations among the big corporations.

1.2.1. 360 Degree Feedback

Fogoros et al (2020) have outlined the key performance evaluation models recognized by management scholars so far and used in the big companies for assessment of performance of their employees. One of the key performance evaluation models they focus on is ***360 Degree Evaluation (Feedback)***.

The concept of this employee performance evaluation model was best defined by Bracken et al (2016), who stated that 360 Degree Feedback is a performance evaluation process that entails collection, quantification and reporting the observations of co-workers that closely cooperated at work with the feedback receiver. The 360 Degree Feedback process, once conducted has several key outcomes:

- 1) Collection of perceptions of evaluators of the certain desired and undesired behaviors of FR;
- 2) Consolidation of those observations and comparison of the results with the other people under evaluation (FRs);
- 3) Based on collected and compared feedback, encouragement of positive changes in current behaviors of FR.

Bracken et al (2016), as well as Hosain (2016) and Herrity (2023) also discuss different advantages and disadvantages of 360 Degree Feedback model. Table 1 below summarizes the main merits and demerits of the performance evaluation model in question.

Table 1

Advantages and disadvantages of 360 Degree Feedback evaluation model

Author(s), year	Advantages described	Disadvantages described
Bracken, Rose, Church (2016)	<ul style="list-style-type: none"> • Larger set of data to evaluate a FR; • Better applicable for decision-making (lower probability of bias) 	<ul style="list-style-type: none"> • Unclear purpose (assessment/development/org. change/program evaluation); • Leads to decisions not aligned with purpose; • Accountability can be ignored (e.g., if feedback can't be shared)
Hosain (2016)	<ul style="list-style-type: none"> • Useful tool when direct supervisor cannot control all areas of employee's activities; • Feedback can be expanded and linked to supervisor's own evaluation 	<ul style="list-style-type: none"> • When feedback is related to administrative implications (pay rise, promotion, layoff), employees are less likely to accept feedback from peers; • Negative peer-given feedback can cause tension and break cohesion of the team
Herrity (2023)	<ul style="list-style-type: none"> • Promoted self-awareness; • Increased transparency; • More complete assessment of all areas of PE's activities 	<ul style="list-style-type: none"> • Takes more time to collect/analyze; • Relies on crystal honesty, which is not always the case in the teams

Source: compiled by author based on the sources in the table

As can be seen from Table 1, Bracken et al pay significant attention to the feedback's purpose. They state that unclarity and ambiguity in the perceived/declared purpose of feedback collection can lead to lower openness of the FR to the provided feedback, which, in turn, can negatively affect their willingness to implement the positive change required in the feedback. Additionally, as stated by Bracken et al (2016), unclarity in feedback purpose can also lead to the decisions not aligned with the initial objectives of employee performance evaluation.

Hosain (2016), in turn, argues that while 360 Degree Feedback is an effective tool to cover all the areas of an employee's performance, it can also undermine the trust-based relationships within the team, since the feedback receiver can be less open to the feedback when it pertains to their remuneration or employment status. Additionally, under the pressure of administrative consequences of appraisal such as pay cuts/layoffs, employees are also less likely to accept feedback when they know it may be negative.

Finally, according to Herrity (2023), 360 Degree Feedback is a good tool for promoting self-awareness and transparency within the team, however, it relies on crystal honesty within the team, which cannot be always reached as some employees try to be "nicer"

to each other, or vice versa. On top of that, as stated by Herrity, the collection of feedback in this appraisal model can take more time than expected.

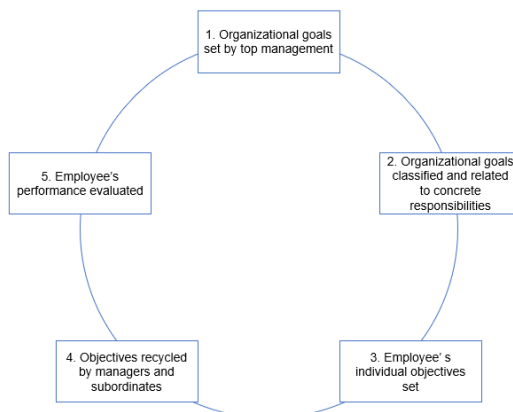
1.2.2. Evaluation by Objectives

The other commonly used employee performance evaluation model is **Evaluation by Objectives (EBO)**, which is also often referred to as *Management by Objectives*. EBO is one of the oldest performance evaluation frameworks, having been defined in 1954 (Fogoros et al, 2020). According to Thomson (1998), this evaluation framework implies that evaluation of an employee's performance derives from the organizational, and, subsequently, personal objectives of an employee defined by the top management of an organization.

According to Kumar (2011), Evaluation by Objectives can be represented as a cycle consisting of five stages. Figure 1 below illustrates those five components of the objective-based evaluation.

Figure 1.

The cycle of Evaluation by Objectives.



Source: Kumar (2011)

As can be seen from Figure 1, in case of EBO, organizational goals are set by the top management (step 1 on the Figure 1), after which they are being classified and linked to the responsibilities of particular business lines/departments/teams (step 2). Once the organizational goals are established and linked to the organizational units responsible for their implementation, the goals are being sent down to the members of those units in the form of individual employee's objectives (step 3).

It is noteworthy that, having been conveyed to the employees, the objectives are subject to be recycled and, if needed, overhauled together by managers and employees to make them more suitable for the employee's capacity, set of skills, etc. (step 4). Based on those recycled objectives, the performance of employees is being evaluated (step 5) and

communicated in the “bottom-up” way to the top management which may potentially review the existing organizational goals or set the new ones.

Having described the process of Evaluation by Objectives, it is important to consider its positive implications, alongside potential criticism points. Table 2 below demonstrates the main advantages and disadvantages of such performance-evaluation model.

Table 2

Advantages and disadvantages of Evaluation by Objectives (EBO)

Author(s), year	Advantages described	Disadvantages described
Kumar (2011)	<ul style="list-style-type: none"> • Increased employee’s morale and more positive perception of work; • Enhanced performance; • Employees better comprehend the overall organizational goals 	<ul style="list-style-type: none"> • N/A
Fogoros et al (2020)	<ul style="list-style-type: none"> • Generally positive impact on employee’s productivity 	<ul style="list-style-type: none"> • Method is more concerned with the organizational objectives rather than employee’s development; • Leadership is not fully encouraged by EBO
Islami et al (2018)	<ul style="list-style-type: none"> • Relatively easy to measure; • Increased job satisfaction; • Clear link between top- and middle-level organizational goals 	<ul style="list-style-type: none"> • EBO often fully ignores behavioral domains (integrity, communication, etc.); • Objectives can cause misalignment between employees and managers; • Not always applicable to all types of roles in organization (for example, IT maintenance or accounting departments)

Source: compiled by author based on the sources in the table

As Table 2 demonstrates, scholars unanimously agree on the fact that Evaluation by Objectives has proven to have positive impacts on such factors as employee satisfaction and their actual job performance. This can be linked to a fact that with EBO, an employee better understands how their own performance is linked to overall organizational success, and overall accountability chain becomes much clearer in an employee’s mind (Islami et al, 2018). Speaking of other positive sides of EBO, it also needs to be noticed that with this performance evaluation model measurement becomes relatively easy, since the clear objectives are set.

The Evaluation by Objectives model also has been criticized by some scholars. For example, Fogoros et al (2020) argue that this model is more concerned with completing the

organizational objectives, while neglecting such factors as employee's personal and professional progression. Additionally, as stated by Islami et al (2018), non-tangible domains are often ignored when assessing employees with EBO (such as behavior, communication, etc.), as well as such performance model can be less effective when employee is intrinsically not aligned with the organizational goals (which may be difficult to track). On top of that, not all roles can be assessed by this model: for example, when objectives established by top management are less pertinent to certain departments, such as, for instance, IT maintenance.

1.2.3. Objectives and Key Results

Having discussed Evaluation by Objectives performance evaluation model, it is also essential to touch on another model that is very widely used among the biggest companies in the world, which is called **Objectives and Key Results (OKR)**.

This performance evaluation model can be linked to previously discussed EBO, as OKR basically represents a more quantified and data-driven version of Evaluation by Objectives (Chen et al, 2022). Therefore, EBO and OKR can share very similar definitions while also having important differences. According to Radonic (2017), OKR, while being a notion related to EBO, has some important differences, which include:

- Frequency of evaluation – OKR are tracked more frequently than EBO;
- OKR can be characterized by higher transparency and availability to each member on all hierarchy levels;
- OKRs are more quantified are concrete than EBO-measured objectives.

Therefore, while EBO focuses on what should be done, Objective Key Results, while also oriented on the final results, focus as well on how those results will be achieved (what + how). Apart from definition, OKR construct may also share similar advantages and disadvantages with EBO, some of which are given in Table 3 below.

Table 3

Advantages and disadvantages of Objectives and Key Results (OKR)

Author(s), year	Advantages described	Disadvantages described
Radonic (2017)	<ul style="list-style-type: none"> • Can be relatively easily adjusted to the organizational parameters (size, structure, etc.); • Better control of progress through more frequent reporting; 	<ul style="list-style-type: none"> • Human factor (OKRs can be manipulated to be achieved)
Kelly (2021)	<ul style="list-style-type: none"> • Ambitious goals are set; • Quantifies the desired results 	<ul style="list-style-type: none"> • Prescriptive nature of OKR; • Can quickly become outdated in growing teams/environments; • In some cases, too many OKRs are set

Source: compiled by author based on the sources in the table

As can be seen from Table 3, apart from sharing similar advantages and disadvantages to EBO, OKR also has some positive and negative traits of its own. For example, according to Kelly (2021), Objectives and Key Results do a better job in quantifying and objectifying organizational goals. It is more likely that what was ambiguous and unclear with EBO measurement becomes easier to measure when OKR is applied. Also, as argued by Radonic (2017), OKR can be easily adjusted to the size and structure of the organization, as well as more effectively and frequently controlled.

However, Objectives and Key Results, while being used by the most prominent companies in the world – especially in tech, according to Stray et al (2022) – can also be criticized. For example, according to Kelly (2021), OKRs often have prescriptive nature, meaning that they limit people to reaching organizational goals through a particular pre-determined path. This performance evaluation model might be ineffective if one wants to encourage “outside-the-box” thinking and untrivial approach to problem solving in their organization. Also, OKRs need to be controlled for relevance: sometimes, especially in fast-growing environment, they may become outdated. Radonic (2017) also argued that sometimes OKRs can be manipulated by employees so that they can be more easily reached, thus causing positive administrative outcomes for individuals. Nevertheless, Radonic believes this disadvantage can be overcome by constant and thorough review of OKRs.

1.2.4. Behaviorally Anchored Rating Scales

As discussed in the section above, such performance evaluation models as EBO and OKR, while having undisputable advantages, can also be criticized for almost completely neglecting the behavioral aspect of an employee's activities (unless this aspect is quantified and explicitly set as one of the key objectives by top management). *Behaviorally Anchored Rating Scales* (BARS) performance evaluation model, in turn, while also quantifying the responsibilities-related results, also **takes into consideration the behavioral aspect** of an individual's performance, therefore making the overall evaluation more multi-dimensional and comprehensive (Aggarwal, 2013).

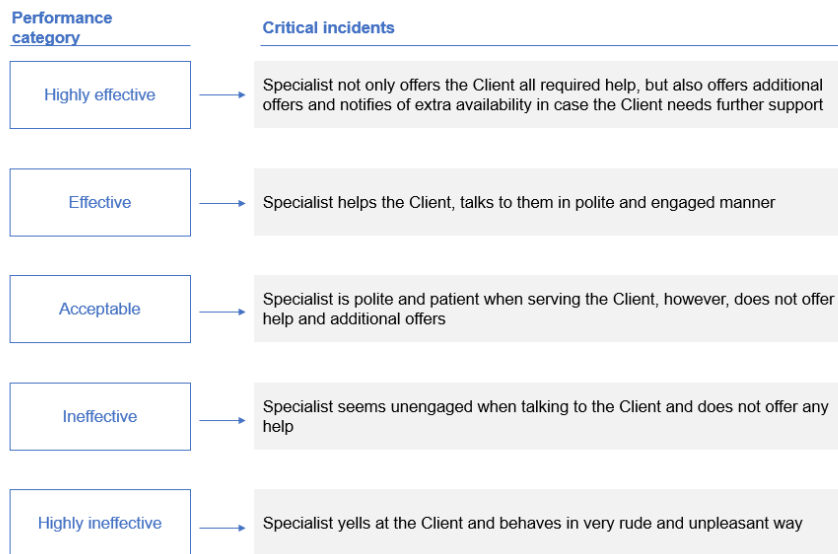
According to Kell et al (2017), development of Behaviorally Anchored Rating Scales consists of seven steps (procedures) that should go in particular order in order for the model to be at maximum efficiency. Firstly, a group of experts (in big companies often managers) develops so-called *critical incidents*, which represent examples of good and bad behaviors at work. After that, the experts create labels for the different levels of behavioral performance. As a third step, (preferably) a group of another experts sorts critical incidents created in the Step 1 into "performance categories" developed in the Step 2.

After that, the experts compute so-called "agreement statistics", to align on perception of the incidents. As a fifth step, after the "agreement statistics" are computed, the experts rate the incidents by their "effectiveness" (for example, from "highly ineffective" to "highly effective"). Lastly, after the calculation of "agreement statistics" (which includes standard deviations, etc.), the experts keep the critical incidents that they agreed on and set them as desirable or undesirable behaviors.

The sample final output of this sophisticated procedure is shown in Figure 2 below.

Figure 2

Example of BARS incidents and performance categories for customer support specialist.



Source: compiled by author based on framework described by Kell et al (2017)

As can be seen from Figure 2, critical incidents typically represent the behaviors at work that need to be evaluated, and each of such incidents is put into a category. Based on those categories, FRs get quantitatively assessed. For example, they could get 1 for being highly ineffective and 5 for showing highly effective behaviors.

As well as any other performance evaluation framework, BARS has also received assessment in terms of its own advantages and disadvantages. According to Shaout and Yousif (2014), Behaviorally Anchored Rating Scale can be really effective due to its quantitative nature, which almost eliminates the errors that could arise when rating behaviors. Also, they argue, the approach implies close cooperation between FG and FR which could increase the probability of FR's acceptance of appraisal result.

Numerous scholars, however, state that this method's main demerit is the big amount of time consumed when developing the BARS (going through Steps 1-7) described above. Development of BARS also requires significant time investment since it cannot be easily replicated among different roles and needs to be designed for each role separately. Another downside of this method, according to Shaout and Yousif (2014), is the fact that BARS is more concerned with the process per se, not the result.

1.2.5. Other performance evaluation methods

Four performance evaluation methods described earlier in this chapter (360 Degree Feedback, EBO, OKR, BARS) are very widely used in companies across the world, however,

the list of performance evaluation models is not limited to just them. For example, *Graphic Rating Scales* (GRS) is a relatively simple framework that is very widely used to provide better insight into different fields of an employee's activities, such as, for instance, leadership, team administration, hard skills, etc. (Lunenburg, 2012). Each of these areas gets separately evaluated (most commonly, on the scale from 1-5), which helps the FG to draw conclusions on the areas where FR needs improvement or whether FR is fit for their role at all.

Another noteworthy performance evaluation model is *Assessment Centers*. According to Thornton and Byham (1982), this employee evaluation method represents a set of activities that are aimed at putting a FR into different work-related scenarios and observing their behavior. While this assessment gives insight into an employee's behaviors in different situations, it usually requires third-party observer and takes significant amount of time, which makes it less suitable for many organizations.

Another very recent trend in employees' performance management is *Continuous Feedback*, which reflects not the method per se, but the frequency of evaluation of an employee's activities. According to Nikolic et al (2020), providing feedback more frequently to stay in closer touch with an employee has been increasingly important over the last years, when the share of millennials in the overall workforce has increased. Providing feedback continuously helps employees to stay up to date with their improvement areas and achievements without waiting for their feedback sessions for long periods of time.

Having conducted the literature review on the topic of employee performance appraisal, the author is going to proceed with the description of methodology that is used in the consulting project for TDEC.

2. Methodology

In order to choose the most effective research methods applicable to this particular project (and this master's thesis), it is important to once again state the research questions that the author set in the introduction. Excluding the recommendation part, which is discussed later in this master's thesis, these research questions are:

1) What is current employee performance evaluation system at Teixeira Duarte Engenharia e Construções? (performance metrics, overall structure of evaluation process);

2) What employee performance evaluation systems are used by the other companies? (this analysis includes both competitors of TDEC and companies from other sectors);

3) What is TDEC employees' view of the current evaluation systems?

The proposed methodology should derive from the research questions that were set in the given project/paper.

2.1 Interviews

As research question 1 suggests, one of the key objectives of the author is to establish clear understanding of the current performance evaluation practices at Teixeira Duarte Engenharia e Construções. This question, as well as research question 3 (which pertains to TDEC's employees' perception of the existing appraisal systems at the company), can be answered by (i) analyzing the data provided by the Client (organizational structure, current performance appraisal documents, etc.) and (ii) conducting detailed **interviews** with the employees of the Client organization. The interviews are aimed at understanding (i) how the performance is currently evaluated at TDEC (how often, what methods are used, etc.) and (ii) what the employees think of the current appraisal systems used at TDEC. When choosing the interviewees, author's main focus was to span as big scope as possible, to be able to understand the performance evaluation practices across different departments of Teixeira Duarte Engenharia e Construções.

In collaboration with the Client, author is conducting **7 online interviews** with the current employees of Teixeira Duarte Engenharia e Construções, holding **managerial positions** at different departments of the organization (Compliance, HR, IT, Sustainability, Finance, Shared Services, Accounting). The emphasis was made on the employees from the managerial positions, because they play dual role in the performance evaluation process: they are both feedback-givers and feedback-receivers. While all interviewees do manage people, the author also made sure that they have different seniority levels, to make the analysis more comprehensive and independent from a certain seniority level's issues.

During the interviews, author asks the interviewees about the performance evaluation practices at their respective departments, as well as their own opinion on what can be improved/added in this process. Interview question list can be found in the Appendix A. Once the interviews are conducted, author is going to use the **code tree** method to evaluate the current performance evaluation practices at TDEC, and identify the key improvement points.

2.2. Benchmark analysis

Client interviews, while being an important part of the analysis, cannot answer the research question 2 which aims at understanding what performance appraisal practices are

used in the other companies both across the construction and engineering sector as well as in the other industries.

In the benchmark analysis, which spans total of ten companies (both Portuguese and international), author focuses on the following topics:

- Performance evaluation models used;
- Number of feedback givers per one feedback receiver;
- Frequency of appraisal;
- Areas of activities evaluated;
- Quantitative metrics used in the appraisal (if applicable)

The benchmark is conducted in two main ways: (i) collecting openly available data on the Internet and (ii) if possible, contacting people working in the companies chosen for the analysis and conducting brief interviews with them. The ten companies that were chosen for the analysis, were selected by author if they met at least one of the following criteria:

- Author has personal connections in the companies, therefore, better access to the employees and higher chance of getting information on the appraisal from them;
- Company has direct competition with TDEC (e.g. operates in construction sector);
- The company is well known for its appraisal processes.

It is also important that in the first meetings with the author, Client explicitly stated that they see the benchmark analysis as the key value that they are expecting to receive from this project. Therefore, while both methods are crucial for understanding the gap in performance evaluation systems of TDEC and coming up with relevant recommendations, benchmarking has higher importance for the Client, and therefore, was prioritized on the project's timeline. The full list of the companies taken for the benchmark analysis can be found below:

1. BNP Paribas (financial services, operates worldwide)
2. KPMG (consulting and advisory, operates worldwide)
3. Mota Engil (construction, operates mainly in Portugal)
4. Grupo NOV (construction, operates mainly in Portugal)
5. The Navigator Company (paper production, operates worldwide)
6. EDP (energy sector, operates in Portugal)
7. Hitachi (construction/sustainable energy, operates worldwide)

8. Outsystems (software development, operates worldwide)
9. Tranquilidade (insurance, operates in Portugal)
10. Grupo Casais (construction, operates mainly in Portugal)

3. Results

Prior to starting to describe the findings that the author has identified based on the methodology described above, it is important to describe the structure of this chapter. In section 3.1., the author gives the overview of the interviews conducted with the employees of Teixeira Duarte Engenharia e Construções, discusses common patterns in their answers and outlines their main concerns, ideas and opinions that they have expressed. In section 3.2., author focuses on the results of the benchmark analysis conducted based on the list of companies described in the section 2.2.

3.1. Results of the employees interviews

As mentioned in the section 2.1., author has interviewed seven employees of TDEC holding mainly managerial positions at the organizations in the different areas, in order to get more holistic view of employee performance evaluation across different areas of activities of Teixeira Duarte Engenharia e Construções. All interviews were conducted online, with some of them being conducted in English and some in Portuguese, upon preferences of the interviewees.

As can be seen in the question list (placed in the Appendix A), author's main goal during the interviews was to understand the current performance evaluation practices at TDEC, as well as get the interviewees' opinions on the current state of affairs in the appraisal process. When building the question list, the author was inspired by the guide of McGrath et al (2019) on how to conduct interviews for qualitative research. Based on the received answers, author used **code tree** method to analyze the main ideas mentioned by the interviewees. The main goal of the author, when analyzing respondents' answers, was to identify common opinions on which the interviewees were aligned and to see which problems in the current performance evaluation process were mentioned by significant number of interviewees.

Proceeding to the results of the interview analysis, author has compiled the main findings from the pattern analysis in the Table 4 below.

Table 4.

Key findings from the interviews with employees of TDEC (analyzed with code tree method)

Code	Code description	#Mentions	Quotes
Performance evaluation process	Current performance evaluation practices used at TDEC	7	<ul style="list-style-type: none"> • “The criteria we use are Quantity of work, Quality of work, Teamwork, Leadership and Strategic vision” • “The appraisals are done annually” • “In our department, we do self-assessments” • “We can have performance evaluations mid-year too, if there is need”
Broad performance evaluation criteria	Evaluation criteria used in the performance evaluation process are very unclear and open room for biased evaluations	4	<ul style="list-style-type: none"> • “Quality and quantity of work cannot be accurately measured. They have so many variables” • “What is quality of work? It can be so many things” • “They (criteria) are not specific and relevant for the work the team performs” • “I am not quite sure where the grade is coming from”
Formalized evaluation process	The performance evaluation process is extremely formalized and is often skipped/simplified	3	<ul style="list-style-type: none"> • “We are not required to provide employees with feedback on the appraisal sessions, but we are required to formally register them” • “This process and these criteria are just formal, in reality they are not very appropriate”
Untimely feedback	Due to performance evaluation being tied to appraisal period, some feedback may be untimely and obsolete;	3	<ul style="list-style-type: none"> • “The appraisal meetings are only scheduled for end of the first semester and we receive the feedback too late” • “On the feedback sessions we usually cover the whole year and share how it went”

Source: compiled by author based on the interviews

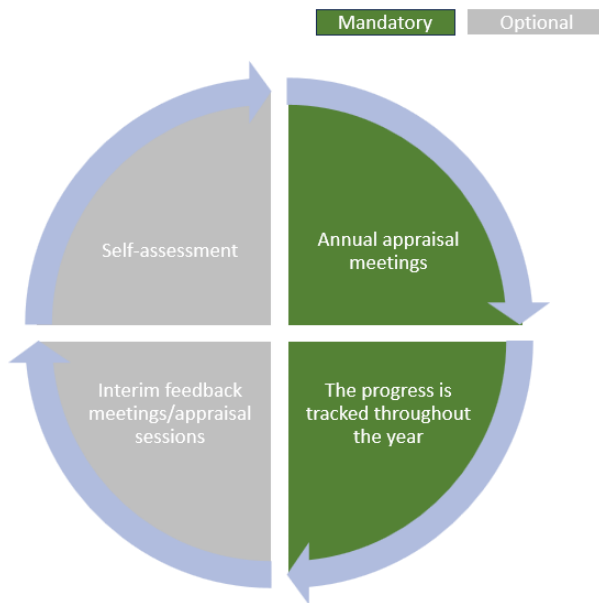
In Table 4, author has compiled several commonly mentioned issues/comments that the interviewees mentioned during the interviews. To depict how common a certain comment was, author also included the number of people who made this comment, to the table. All of those comments (codes) serve one of two goals (that are correspondent with the research questions mentioned in the introduction): (i) describe the current employee performance evaluation process at TDEC and (ii) understand the current opinions of TDEC employees about the performance evaluation system established in the organization.

3.1.1. Current performance evaluation system

As can be inferred from Table 4, the current performance evaluation system at Teixeira Duarte Engenharia e Construções implies evaluation criteria defined on the group level, but at the same time a lot of flexibility in different departments based on the nature of their work. The high-level view of employees' performance evaluation process at TDEC is summarized in Figure 3.

Figure 3.

Employees' performance evaluation at TDEC.



Source: compiled by author based on the interviews

As can be seen on Figure 3, some elements of employee performance evaluation are mandatory and are officially prescribed on the group level, while the other parts of the process are up to consensual decisions of feedback-givers and feedback-receivers. The starting point for performance evaluation (unless a new joiner is evaluated) at TDEC is usually the **annually held appraisal meetings**. This procedure is official and is mandatory for all departments. At these meetings, as per comments of the interviewees, the performance over the last year is reviewed according to the following criteria: Quantity of work, Quality of work, Teamwork, Leadership and Strategic vision (however, one of the respondents mentioned that TDEC is currently having a project which is aimed to change the criteria). On each of the criteria, an employee receives a grade on the scale 1-5 which corresponds to their performance in the respective area (this evaluation method corresponds to Graphic Rating Scales method). The appraisal meetings are usually held at the end of the year and may or

may not have administrative implications for an employee (for example, potential raise or promotion).

Once an employee's performance is graded by the feedback-giver (manager), the manager **inserts them in the internal HR system**. This step was also referred to as "formalization of feedback" by some of the respondents. The evaluation entered into the system is then used for further comparison of employee's future performance, as well as for justification of administrative measures to HR (for instance, a salary raise).

While annual appraisal meeting and entering information into the system are mandatory parts of performance evaluation process at Teixeira Duarte Engenharia e Construções, there may be some practices that are used in some departments of TDEC, while not being officially required to. For instance, some interviewees reported that, based on the needs expressed by employees, they may also schedule some **interim informal performance evaluation sessions**, so that they can keep their direct reports more up-to-date with how their performance is progressing, and not wait until the appraisal meeting. As mentioned by the interviewees, it is up to feedback-giver and feedback-receiver to align on the frequency of such interim sessions, and it is in no way regulated by the organization.

Additionally, interviewees reported that, since performance evaluation process may be insufficient in some cases, they are also adding some other elements to performance evaluation. For example, three of the interviewees mentioned that they felt the need to add the **self-assessment** part to the performance evaluation, in order to check if there is a gap in feedback-giver's and feedback-receiver's own perception of the feedback-receiver's performance. It is noteworthy that this step is not required by any TDEC procedures and is completely up to the managers' decisions, however, as the interviewees stated, it really helps to understand employee's perception of their performance and align on impressions.

3.1.2. Opinions of employees on current performance evaluation system

Together with understanding the structure of current performance evaluation process at TDEC, the other main goal of conducting interviews with employees of the organization was understanding their perceptions and potential painpoints related to the process. As can be seen in Table 4, one of the key concerns of the respondents was **too broad and ambigüe performance evaluation criteria**, which opens doors for biased evaluation of an employee's performance on certain criteria. Respondents who raised the concern about unclear evaluation criteria were very direct about their not being happy with the current evaluation practices. For example, some of the employees mentioned that they do not understand where the performance grade is coming from, since the criteria that are being evaluated are very broad.

For example, as mentioned by one of the employees, such criteria as "quantity" and "quality" of work can consist of numerous factors (variables) and it is not always clear why the feedback-giver gave a certain grade. More particularly, one of the employees was referring to the "quality of work" criterion that is widely used on the performance evaluation at TDEC – an employee was not at all clear on what this criterion implies, since many factors can determine how well a person performs at the workplace.

Another issue that some of the employees mentioned regarding the performance evaluation process at Teixeira Duarte Engenharia e Construções was **very formal culture of feedback-giving** established at the organization. For instance, one of the interviewees (who serves as a top manager at TDEC) mentioned that officially the managers are not even required to give real feedback to their direct reports. The only thing they are obliged to do is to formally register the feedback in the internal HR systems, which leads to the situations when employees are not even aware of the nature of their appraisals and overall perception of their performance from their manager. Another person mentioned that some criteria that formally need to be evaluated are not relevant for some (if not most) of the departments. For example, one of the respondents (they work in corporate area) mentioned that they still do evaluate their employees' performance on such criterion as "safety on workplace". This criterion, they said, is directly related to the production and is not at all relevant for the employees in the corporate area.

Some of the interviewees also mentioned that, due to specifics of performance evaluation practices at TDEC, the feedback provided to them is **not timely and often obsolete**. This issue was raised by two of the employees, one of which mentioned that they only have big appraisal sessions once a year, which results in some improvement points being obsolete by the day of the meeting and not being worth discussing (because they were already fixed by the feedback-receiver, or got irrelevant over time). This view is also backed up by the words of the other respondent who mentioned that on the performance evaluation sessions they cover the whole previous year, and that this practice may cause bias in performance evaluation (an employee may get a worse overall grade because of the issues that happened ten months before and were fixed a long time ago).

To summarize, the conducted interviews have helped authors in addressing two out of four research questions mentioned in the Introduction chapter, namely:

- Author has gained understanding of the current performance evaluation system used by TDEC;

- Author has gathered the opinions of TDEC employees on the performance evaluation practices in the organization.

In the next section, author proceeds with discussing the results of benchmark analysis, which was aimed at understanding the most commonly used practices of performance evaluation by other companies.

3.2. Benchmark analysis results

As mentioned in the Methodology chapter, together with the interviews, the author has also conducted the analysis of ten companies’ practices used in employee performance evaluation process. This analysis was aimed at understanding what solutions competitors of TDEC, as well as other prominent employers, implement to effectively evaluate their employees. When conducting the benchmark analysis, author has paid special attention to such criteria as **performance evaluation method used, frequency of evaluation, and special metrics or areas** that are taken into consideration. Key findings from the benchmark analysis are summarized in Table 5 below. Due to the table size limitations, more detailed findings (metrics and areas evaluated) on each of the companies can be found in Appendix B.

Table 5.

Key findings from the benchmark analysis (evaluation method and frequency)

Company, sector	Reason for inclusion to analysis	Performance evaluation method used	Frequency of evaluation
TDEC, construction	Client	GRS, EBO	Annual
BNP Paribas, banking	Author’s connections	360 Degree Feedback	Semiannual
Mota Engil, construction	Client’s competitor	360 Degree Feedback	Annual
Tranquilidade, insurance	Author’s connections	EBO, OKR	Semiannual
Hitachi Energy, energy	Author’s connections	EBO	Semiannual
KPMG, consulting/advisory	Prominent employer	360 Degree Feedback, EBO	Semiannual
Grupo NOV, construction	Client’s competitor	EBO	Annual
Grupo Casais, construction	Client’s competitor	EBO	Annual
Outsystems, software development	Client’s competitor	EBO	Semiannual
The Navigator Company, paper production	Author’s connections	EBO	Annual
EDP, energy	Prominent employer	OKR	Annual

Source: compiled by author based on benchmark analysis

Table 5 gives a high-level overview of *how* and *how often* different companies from various sectors evaluate the performance of their employees. For instance, at BNP Paribas the

360 Degree Feedback is adopted as the main performance evaluation model. According to one of the employees, feedback-receiver is responsible for gathering feedback from their colleagues who they worked with (same projects/ad-hoc tasks, etc.). Once the feedback is gathered, it is consolidated into one file where the evaluated employee, based on the received feedback, needs to self-reflect on their achievements, as well as improvement points for future. Apart from this, the manager (feedback-giver) also talks to the people who worked with the evaluated employee throughout the period in consideration and builds their own impression of an employee's work. Performance is split into several categories (quality of content, communication with team members and client interaction) and quantified by the manager in the form of score on the scale of 1-6. On the formal review session, FR and FG compare their impressions (FR is required to prepare the self-assessment) on gathered feedback and decide on future action plan. 360 Degree Feedback was also discovered to be used at Mota Engil, (one of the key competitors of TDEC in Portugal). Mota Engil uses 360 Degree Feedback to assess employees based on such domains as measurable results (work-related indicators), desired behaviors and attitudes.

An employee of KPMG (based in Lisbon) also reported that their work is evaluated based on consolidation of different pieces of feedback (360 Degrees Feedback) of all people that they have interacted with at work. However, according to the same employee, their performance evaluation is not purely based on 360 Degree Feedback (unlike BNP Paribas or Mota Engil): KPMG has also employed **EBO** method, meaning that employee together with the manager sets goals (which are split into business-related and personal development goals) for the next reporting period, and reviews the set goals throughout the year. Hitachi Energy was also one of the companies employing the EBO system: every year, FG and FR set different goals for FR to complete (performance-related, as well as development-related) and review them in the middle of the year. The same system is used in Outsystems, where an employee needs to set their own performance- and development-related goals. Interestingly, at Outsystems, when setting their goals, employees also need to specify the deadline for their achievement (the deadline can be any feasible date within one year). EBO was also discovered to be used at The Navigator Company, where a feedback-receiver and feedback-giver collaborate closely to set eight goals: four functional (related to an employee's responsibilities per se) and four cross-sectional (related to strategic vision of the company and FR's team role in it).

The way the EBO system is used for performance appraisal is particularly worth mentioning in the case of Grupo NOV. While overall categories (within which an employee

sets goals for themselves) are close to the ones used by TDEC, they are much more specified: each category contains several **sub-criteria** (see Appendix B). This helps manager and employee to be more aligned on what the expected contributions/behaviors in each domain of performance evaluation are.

A very similar pattern was also observed at Tranquilidade, where different types of goals are set collectively by employees and their managers. However, at Tranquilidade the author also observed the mix of different performance evaluation methodologies, as this company reportedly is also using **OKR** (which differs from EBO as it is more interim-goal-oriented model). An interesting observation regarding Tranquilidade's performance evaluation style is that employees oftentimes get a lot of leeway in setting their own goals – as reported by some employees, managers sometimes do not play big role in goal-setting process. Another noteworthy insight from Tranquilidade's performance evaluation practices is that some employees reported that their manager pays special attention to process optimization and automation when assessing their overall performance. Another organization that was found to be using OKR performance evaluation model was EDP, which sets interim quantitative and qualitative objectives for each employee based on four criteria: group, business unit, area (collaborative criteria) and work-related indicators (performance criterion).

Another important finding from the benchmark analysis (can be found in Appendix B) is very common use of **self-assessment** practices in the performance evaluation process. More than half of the companies researched have been found to be using this method to align FG's and FR's perceptions of feedback-receiver's performance at work. It is worth reminding that this practice is not new to some of the departments of TDEC: some interviewees reported that they have added this component to the appraisal process. However, this practice is not formally established at TDEC, and it is up to the manager whether to include it to the evaluation process or not.

As to the **frequency of evaluation**, the author has identified quite fair split between companies doing semiannual and annual performance evaluation. Employees of the companies where the performance is evaluated on a **semiannual basis** have reported that they are satisfied with this frequency, as it helps them to stay up to date with their areas of improvement and their potential promotion status. It is worth reminding that TDEC employs an annual frequency of performance evaluation, which, as reported by some of the employees, may be less effective in a rapidly changing work environment, where some improvement points may quickly get obsolete.

All in all, the benchmark analysis has helped the author to address one of the research questions (“What employee performance evaluation systems are used by the other companies?”). Having described the key findings from the interviews and the benchmark analysis conducted, author will proceed to summarizing all of the findings in a separate section, to give reader better visibility on what issues and potential opportunities in the employees’ performance evaluation at TDEC have been identified. This step is crucial in order to systematize the knowledge received on the topic and come up with recommendations on the further stages.

3.3. Interviews and benchmark analysis’ findings: summary

After conducting the empirical analysis of employees’ performance evaluation system at Teixeira Duarte Engenharia e Construções, it is crucial to summarize this knowledge, to have more systemic approach to giving the recommendations to the Client later in this master’s thesis. All key findings are summarized in Table 6.

Table 6.

Summary of key findings from interviews (current performance evaluation) and benchmark analysis (best practices in other companies)

Method	Finding	Comments
Interview	No single established performance evaluation procedure	While TDEC has some criteria for performance evaluation defined on group level, company lacks detailed guidelines on performance evaluation procedures (self-assessments are used only in some teams)
Interview	Unclear evaluation criteria	Several employees of TDEC reported that they are not clear on what the evaluation criteria at the company entail
Interview	Formalized evaluation process	Several interview respondents mentioned that the performance evaluation process at TDEC is done just to comply with the rules
Interview	Untimely feedback	Since the appraisal meetings are held annually, and no interim feedback procedures are established, some feedback may get obsolete by the date of appraisal
Benchmark	EBO as the most used performance evaluation method	Most of the companies researched are using EBO (MBO) as their main method of performance evaluation. Goals are usually set annually, and then reviewed throughout the assessment period
Benchmark	Common use of self-assessments	More than a half of companies researched are using self-assessments as a mandatory part of evaluation process
Benchmark	Interim performance evaluations	Around half of researched companies have “interim” performance appraisal meeting(s) throughout the year

Source: compiled by author based on the interviews and benchmark analysis

Table 6 can provide the author with two important insights. Firstly, the company has **significant room for improvement in terms of formally standardizing performance evaluation process**: for example, if some departments use self-assessment based on the manager's decision and the others do not, it may result in unequal performance evaluation conditions for people working in different parts of the company (additionally, one of the interview respondents mentioned differences across regions). Feedback is also too formal process at TDEC, and many managers just do it for sake of doing (or even skip it, as was mentioned by one of the top managers regarding their own evaluation). Apart from the process itself, evaluation criteria also need to be redefined, as some of them are obsolete or too vague.

Secondly, the Client is also **running behind the other companies** on the job market in terms of evaluation of employees' performance. Some of the companies researched have very well-defined evaluation criteria, as well as more established procedures for this process. This disadvantage of Teixeira Duarte Engenharia e Construções may result in their employees trying to find a more suitable workplace where they can get better feedback and stay up-to-date with managers' perception of their progression (especially the younger generations).

All in all, the diagnosed issues can have harmful impact on the performance of employees within the organization, as well as on TDEC's ability to attract and retain new talent. Having summarized the findings from employee interviews and benchmark analysis, the author proceeds with drawing recommendations which are based on the issues described in Table 6.

Recommendations and conclusion

Having discussed the results of the empirical part that gives the author an overview of the current performance evaluation practices at TDEC, as well as best practices in the other companies, the author proceeds to describing the potential recommendations that will be given to the Client, as well as concluding the findings of this research paper.

When speaking of the recommendations to be given to the Client, it is crucially important to link them to the problems identified in section 3.3. The recommendations that author gives to the Client represent the mix of improvements for TDEC's current performance evaluation procedures and adoption of some best practices used by other companies researched by the author during the benchmark analysis. When proposing recommendations, the author has not only linked them to the findings described previously, but also analyzed

their impact on TDEC. In Table 7, the author links the proposed recommendations to the problems identified in section 3.3.

Table 7.

Summary of recommendations given to the Client

Finding	Recommendation	Time horizon
TDEC does not have a standardized performance evaluation procedure	Standardize performance evaluation principles across all departments/locations of the company, establish guidelines on performance evaluation taking into account the specifics of each department	Long-term
Evaluation criteria at TDEC are unclear and vague	Develop sub-criteria for each of the performance evaluation criteria to make the evaluation more transparent and easier to conduct	Long-term
Performance evaluation process at TDEC is too formal	Embrace the feedback culture for the employees, encourage them to seek more feedback, as well as encourage feedback-givers to give more detailed feedback	Long-term
Self-assessments are commonly used by other companies	Make the use of feedback-receiver's self-assessments mandatory for performance evaluation	Short-term
Feedback is untimely at TDEC	Mandate at least one interim appraisal meeting (mid-year appraisal)	Short-term

Source: compiled by author based on findings from Table 6, interviews and benchmark analysis

As can be seen in the Table 7, the author has divided all recommendations based on the time horizon for their implementation. Firstly, since one of the main findings was the fact that TDEC does not have a standardized performance evaluation procedure that would formalize appraisal processes across different departments of TDEC, author proposes to the Client to standardize performance evaluation principles across all departments/locations of the company by **establishing guidelines on performance evaluation** taking into account the specifics of each department. These guidelines should make the evaluation transparent and easy to follow for both feedback-givers and feedback-receivers. These guidelines must include such aspects as frequency of evaluation, evaluation methods and criteria and precise procedures. Such guidelines will be the first step to standardizing the performance evaluation of employees of TDEC regardless of their location of department (such standardization is lacking at the moment). The impact of this measure on the organizational processes may be high, since it will require mobilization of not only HR department's resources, but also the IT resources, as the internal systems will be heavily affected. Therefore, in terms of timeline, such measure can be considered rather **long-term** recommendation.

Another **long-term** recommendation that author proposes to the Client is **developing sub-criteria** for each of the performance evaluation criteria. Author comes up with this recommendation based on the results of benchmark analysis, as well as comments from the employees of TDEC. It is worth noticing that author is not proposing the concrete criteria per se, since, as mentioned in section 3.1.1., TDEC is already developing new evaluation criteria. What is crucial, however, is to divide each criterion into sub-criteria – this measure would help the Client to address the concern of some of their employees that the evaluation process. For example, such criterion as Quality of Work could be divided into several components, such as technical knowledge (software, etc.), autonomy (ability to perform the tasks autonomously), work-specific metrics (any metrics relevant to a specific position analyzed), efficiency (ability to balance between the delivering a right quality and time of performing a task). As can be seen, each of the sub-criteria should be clearly defined, so that feedback-givers and feedback-receivers both have a clear idea of how the evaluation is conducted. As the benchmark has shown, some of the companies are also successfully implementing the **weight-based system**: each of the criteria (and sub-criteria) should be assigned a “weight” that represents its importance for a person on a given role and level of seniority. As mentioned above, this recommendation is also rather long-term one, as it will **require significant workload** of HR department in cooperation with other departments to make sure that all criteria and sub-criteria make sense for them, and all work-specific metrics are defined properly.

As discussed in chapter 3, one of the main issues reported by the interviewees was the fact that feedback at TDEC is very formal and sometimes is just done because the procedure needs to be followed. From the author’s point of view, this depicts a **cultural issue** within the organization – by many employees, feedback is not perceived as an important part of the working process. **Embracing the culture of seeking and giving quality feedback** is another recommendation the author provides to the Client. This recommendation is also rather **long-term**, since it will require significant time to instill this habit in the current employees of TDEC (via communication of employees and their managers), as well as to the new joiners (during the onboarding process). While it is not expected to require significant monetary investment, such a shift in behaviors will take significant time (at least one year) to be adopted and accepted by the employees of TDEC.

There are also some **shorter-term** recommendations (“quick wins”) that the author gives to the Client. For example, as mentioned by several TDEC’s employees during the interviews, some departments are implementing **self-assessments** in their performance

evaluation. As backed up by the benchmark analysis, this practice is also well-accepted and widely used by the other companies. Therefore, given the effectiveness of such a tool in aligning perceptions of FG and FR regarding FR's performance, it can be relatively quickly mandated at the company level at TDEC. Such a measure can be implemented by communicating it to all feedback-givers (holders of managerial positions) in the organization. There is also room for further improvement of this practice (developing self-assessment forms etc.).

Another "quick win" that can be proposed to the Client is **mandating all feedback-givers to more frequently track the progress** of their respective feedback-receivers. This can address the concern of some of interviewed employees of TDEC who stated that some pieces of feedback are already irrelevant when their annual appraisal meeting takes place. To avoid this, the author proposes to require all FG's to conduct at least one interim performance evaluation session during the year to track the progress (number of interim meetings can be increased upon agreement between FG and FR). Alternatively to the self-assessments, this measure, in author's opinion, can be implemented without significant workload and financial investment.

Having discussed the recommendations given to the Client and their impact on organization, author proceeds to concluding the results of this master's thesis. It is important to link the results of the present research paper to the research questions set in the Introduction chapter.

Firstly, the author has analyzed the scientific literature to gain better understanding of purposes of having well-established performance evaluation system, as well as different performance evaluation models most commonly used by different employers. In sections 1.1. and 1.2. respectively, the author presents the results of this review.

Author has also defined the methodology for the empirical part of this master's thesis in the chapter 2. This methodology was based on the research questions set in the Introduction chapter.

Having conducted interviews with seven employees of Teixeira Duarte Engenharia e Construções author has gained the comprehensive view of the current performance evaluation system used by the Client – the results of this analysis are presented in section 3.1.1. Secondly, also with the help of conducted interviews, the author has mapped the main painpoints/opinions that employees of TDEC have expressed regarding the current performance evaluation system used at the organization. Section 3.1.2. discusses the opinions of employees on current performance evaluation procedures at TDEC.

Then, through the benchmark analysis, which spanned 10 companies from different industries, the author outlined the best performance evaluation practices currently used by different employers. The results of this benchmark analysis are presented in section 3.2. Finally, in the Recommendations and conclusion chapter, author has linked the findings summarized in the section 3.3. to the recommendations for Teixeira Duarte Engenharia e Construções.

Overall, to summarize the work conducted, the author can conclude that all of the initial research questions have been addressed. There are, however, certain limitations to this research: for example, the findings of the benchmark analysis may be biased towards the Portuguese job market, as most of the evaluated companies operate in Portugal. Another potential limitation can be the fact that author did not conduct any quantitative study on a bigger sample of TDEC employees. It is, though, important to notice that the interviewed employees of the company mentioned that they represented not only their own opinions, but also those of their direct reports.

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Appendix A

Question list for the employees interview

1. What is your role/position and how does your day-to-day look like? Provide a brief description of what you do.
2. Can you describe your experience with the current performance appraisal process?
3. How well do you think the current appraisal criteria reflect your actual job responsibilities?
4. In your opinion, what are the most important factors that should be considered when evaluating job performance in your role?
5. Do you feel that contextual dimensions and personal traits should also be considered in your performance appraisal?
6. Based on these new dimensions, which do you find most relevant to your role-specific performance appraisal?
7. How has the feedback from the performance appraisal contributed to your professional development?
8. What kind of feedback would be most helpful to you in future appraisals?
9. Are there any specific tools or methods you believe should be incorporated into the performance appraisal system?

Source: compiled by author based on research questions

Appendix B

Benchmark analysis. Comparative table of the companies analyzed

Company, sector	Areas/metrics considered, other comments
BNP Paribas, banking	<ul style="list-style-type: none"> • Quality of content (Content) • Interaction with team members (People) • Client communication (Client) • Self-assessment
Mota Engil, construction	<ul style="list-style-type: none"> • Work-related metrics • Desired behaviors • Attitudes • Quantitative and qualitative assessment both account for 50% of the evaluation
Tranquilidade, insurance	<ul style="list-style-type: none"> • Work-related metrics • Process automatization, workload optimization • Attitudes, motivation & behaviors • Self-assessment
Hitachi Energy, construction/ sustainable energy	<ul style="list-style-type: none"> • Work-related metrics • Professional development goals (learning) • “People-related” goals (interaction with the team members and the Client) • Self-assessment
EDP, energy	<ul style="list-style-type: none"> • Three collaborative criteria are assessed (group, platform/BU, area) • One professional criterion (tied to an employee’s work per se) • Self-assessment
KPMG, consulting and advisory	<ul style="list-style-type: none"> • Business-related goals: project-related metrics, etc. • Personal goals: set by employee based on improvement areas (trainings, etc.) • Self-assessment
Grupo Casais, construction	<ul style="list-style-type: none"> • Work-related metrics • Behavioral component
Grupo NOV, construction	<ul style="list-style-type: none"> • Work-related criteria (efficiency, planning, etc.) • Responsibility (autonomy, punctuality, etc.) • Hard skills (software skills, skills mastering, etc.) • Attitudes (motivation, team spirit, availability, etc.) • Business knowledge (negotiation skills, client relations, client need identification, etc.) • Managerial skills (conflict management, team motivation, resource and people management, etc.) • Self-assessment
Outsystems. software development	<ul style="list-style-type: none"> • Objectives are set annually (mix of personal objectives and team-oriented objectives) • The progress is tracked on biweekly basis, during manager-employee catch-ups
The Navigator Company, paper production	<ul style="list-style-type: none"> • Functional (work-related) objectives • Cross-sectional (organization-related) • Rated on the scale from 1 to 4

Source: compiled by author based on benchmark analysis