



THE PERFORMANCE EVALUATION OF ROB  
PARSON

# **ASSESSING THE PERFORMANCE APPRAISAL SYSTEM OF MORGAN STANLEY**

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# Rating Evaluation of Rob Parson

Based on the current case study, the Morgan Stanley rating scale is based on what is known as the graphic rating scale combined with a 360 performance evaluation which includes behavioral observations and the management by objectives approach. The graphic rating scale includes behavioral evaluations, results and performance, and quality of service provided.

As I went through and rated Rob based on the four categories: *professional skills, commercial orientation, management skills, and one firm contribution*. For my evaluation of each category, I used the testimony and empirical data to assess the performance of Rob Parson. My overall rating was a 3.1. I found that I scored him much higher in the competencies that were task-related and scored him lowest in the management and team player evaluative measures. This is in direct correlation with the finding of Rob's colleagues in that it is evident that he is competent when it comes to performing the roles of his current position, yet he lacks skills and abilities to move forward in the *Managing Director* position.



# Evidence of Parson's Evaluation

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# Recommendation For Hire

The evidence I found most useful when assessing Parson's performance came from the 360-degree performance feedback portion of the evaluation.

The Downward group states strengths as "relationship management, tireless worker" and "has good marketing skills." On the development portion they said, "needs to work on integrating efforts for the broader team."

Colleagues said his strengths include, "cross selling, relationship management, and aggressive selling skills."

The outside evaluators (customers) noted that Rob is easy to work with, driven, and committed yet lacked follow-through and seemed stretched thin.

Based on the 360-degree performance evaluation which included specific feedback for certain strengths ,and the graphich rating scale which indicated Parson's strengths and development needs, I would not promote him to Managing Director.

Under the description for Managing Director, it states, "displays leadership by clearly, credibly, and consistently articulating departmental visions and strategies. Leads by example."

It is made known throughout the case study that Rob goes off the book and against corporate procedures and devalues the culture on Morgan Stanley which has a mission statement that includes teamwork and consensus. Parson's is a liability to the overall brand that is Morgan Stanley.

# STRATEGIC CONGRUENCE THROUGH PERFORMANCE EVALUATION

The performance evaluation process Morgan Stanley uses to assess the effectiveness of employees in their roles within the company is a 360-degree approach. To be strategically congruent, it is imperative that the performance evaluation system the Morgan Stanley utilizes focuses on the organization's strategies, cultures, and goals.

In order to be a successful Managing Director for the Capital Market Systems division one had to not only have an extremely expansive knowledge of the markets, but they also had to be able to develop relationship within the company and outside of it. One of the fundamentals of M.S. mission statement includes: "We will distinguish ourselves by creating an environment that fosters teamwork...treating each other with respect and dignity.

Morgan Stanley implemented the 360-degree performance evaluation which included managers, colleagues, and customers in the evaluation process. By designing an evaluation around multiple perspectives, this allows the opportunity for multiple perspectives, less biases, and eliminates favoritism and the halo effect. Paul Nasr was close to Rob Parson and brought him into the company. Therefore, if he provided a glowing performance evaluation while others saw glaring development needs in Parson, he knew it would undermine his leadership abilities.

The Morgan Stanley performance evaluation seems to be balanced and fair. It is specific to the needs and goals of the company. The "three strengths" and "three development" portion is vague when it comes to specific performance feedback that could be provided as far as the role in which Parson is going to be considered. Considering that Parson scored so low on the graphic rating scale in management skills, it is imperative that the performance feedback portion addresses the competencies of the employee being considered in order to develop a true assessment of if that employee meets the criteria for promotion.

# The Validity

## of the Performance Evaluation



### THE QUESTIONS

The Performance Feedback portion of the evaluation ask for the strengths and development needs of the employee. These are valid, yet they are vague. Thr flaw in this approach is that participants might provide irrelevant information or conflicting ideas if there is not a specific goal or standard to provide feedback.

The graphic rating scale was much more valid in that it is had specific categories and objectives that could be quantified.

### THE SOURCES

The sources that were used for Performance Feedback included managers, colleagues, and customers. The quality approach in using multiple perspectives provides a much more in-depth scope of the employee's job performance and ability to meet all faucets of the evaluations criteria.

The graphic rating scale is conducted by managers and colleagues within the company. Due to it being more about the corporate goals of Morgan Stanley the participants are valid in their assessment of ranking the four skill sets.

### USES

The main reason that Rob Parson was undergoing a performance evaluation was for a promotion to a Managing Director. The two processes of evaluation are valid in assessing the competency for promotion. However, there should be more frequent evaluations of candidates to ensure that leniency and recency bias do not play a factor in the responses of the participants.



# Reliable, Acceptable, & Specific Performance Evaluation

## RELIABILITY

The performance evaluation process for Morgan Stanley is reliable because, in adopting the 360-degree approach, they are evaluating the recipient in multiple ways through multiple standards. In order to reduce bias, halo effect, and appraisal politics are mitigated by allowing respondents to answer in a comment format and a rating scale. This allows quantitative and qualitative approaches to evaluation be considered in final outcomes of the performance evaluation.

## ACCEPTABLE

The performance evaluation process is acceptable because it is effective, direct, takes the core culture, goals, and values of the company into consideration, and assesses the candidate for a role based on multiple perspectives and competencies surrounding their current job in congruence with the opportunity for advancement based off of the performance evaluation.

## SPECIFICITY

While the graphic rating scale based on behavioral observations and management by objective approaches is specific, the performance feedback comment section is vague in asking for strengths and development criteria.

# FINAL THOUGHTS ON PERFORMANCE EVALUATION

## Recurring Evaluations

This was an annual evaluation that was conducted in order to determine a promotion. A more effective evaluation would include quarterly evaluative measures based on goals and culture of company

## Providing Feedback

Allowing employees to hear from their managers, colleagues, and the consumers will increase the productivity and constructiveness of a performance evaluation.

## Specific Evaluations

Ensuring that the performance management evaluation systems are specific to the organization and roles of the employees while developing criteria that assesses performance on specific job functions will yield the best results for the employer and employee

## Setting Goals

Once the employee has the opportunity to review the performance evaluation, it is imperative that they take ownership and initiatives in self-evaluation and setting new goals based on the constructive and specific feedback that has been given.

# REFERENCES

Burton, M. Diane, and Thomas J. DeLong. "Rob Parson at Morgan Stanley (A) through (D) and The Firmwide 360-degree Performance Evaluation Process at Morgan Stanley TN." Harvard Business School Teaching Note 400-101, June 2000.