

# Differentiating Peer Review and the Annual Performance Review

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Confusion exists about the intent and focus of annual performance reviews (APR) compared with professional peer reviews (PPR). To ensure that both reviews are meeting organizational, professional, individual nurse, and patient needs, it's important to clarify the issues of ownership and intended

outcomes for these processes. Understanding the purposes and expected outcomes can help managers move beyond what can feel like a dreaded task that yields a lot of paper work and little value to a meaningful process that can create individual, professional, and organizational success.

## THE APR PROCESS

The APR is a managerial human resource function performed with direct reports, aimed at defining, aligning, and recognizing each employee's contribution to the organization's success. The goal of the APR is to align employee goals with organizational strategy, yielding a higher probability of successfully executing the financial and quality business/strategic plan. The APR should define and document the expectations of employees' individual and organizational performance goals and provide a meaningful process to reward noteworthy contributions to the organization. In addition, the APR is sometimes used to identify ways for employees to improve.

Motivating staff commitment to the task objectives necessary to meet the organization's goals is a major determinant of managerial effectiveness.<sup>1</sup> Managers should use this organizational goal-setting process to motivate, monitor, and evaluate employees' successful annual performance. Workforce alignment through the goal-setting process can empower employees and create ownership in the organization's success, resulting in more satisfied employees and increased retention.<sup>2</sup> The APR goal-setting process can also enable organizations to move quickly from strategy planning to strategy execution and achievement.

For example, if an organization has a goal to achieve American Nurses Credentialing Center's Magnet Recognition Program® status, each nurse must have a similar organizational/unit goal. In addition, each nurse must have an individual goal specific to his or her contribution, such as achieving national certification. Creating a common vision for all nurses in this way helps build a collective identity and commitment to creating and sustaining a Magnet culture. Subsequently, when Magnet recognition becomes a reality, all nurses are rewarded and recognized for achieving this goal.

## PEER EVALUATION

Nursing management sometimes goes way beyond the focus of the APR and tries to accomplish too much by incorporating a peer evaluation processes into the APR. Typically in this process, staff members are asked to give anonymous feedback to the manager about another nurse's performance. The manager then delivers this feedback to the employee during the APR. The manager spends much time and efforts in the process of compiling the information and delivering the summary report to the employee. Unfortunately, the employee receiving the anonymous peer feedback lacks the opportunity for clarification and a two-way dialogue. This process often breeds mistrust and hostility.<sup>3</sup> Peer reviews are sometimes referred to as "pal reviews." This might be because many staff nurses are hesitant to give feedback that would potentially affect a coworker's pay; so, they inflate their feedback or do not address important issues. Peer reviews done in this manner do not promote professional development and skill building in the area of giving and receiving effective feedback.

Some organizations have chosen a formal process of 360-degree evaluation; a form of peer evaluation is incorporated into this process. In a 360-degree process, employees are evaluated by their direct reports, manager, peers, and persons

from other departments within the organization on their specific role competencies or "at work" behaviors. "Colleague evaluation" is a more appropriate term than "peer evaluation," as this is not a form of professional peer review.

This 360-degree colleague feedback is intended to be part of a developmental process. Using the same evaluation criteria, an employee incorporates self-appraisal and the 360-degree colleague feedback to identify growth opportunities and create a personal growth plan.<sup>4</sup> Generation of a personal developmental plan, under the strategic guidance of a coach or direct line manager, using the feedback, is the expected outcome. Unfortunately, the identities of the colleague evaluators usually are removed before the employee receives the evaluations. Anonymous feedback does not allow the receiver to clarify feedback and understand the meaning from the giver's perspective. There is no evidence in the professional literature to support the use of anonymous feedback in the APR or formal PPR process. This practice may threaten an individual's self image,<sup>5</sup> sap morale, and destroy motivation.<sup>4</sup>

Using the 360-degree feedback as part of the APR is contrary to its original purpose: to help identify developmental needs to achieve role-specific competencies that can be enhanced through coaching, mentoring, or professional development. The 360-degree evaluation should never be used as a pay and punishment instrument. Employee satisfaction and outcomes are reported when customizing the APR criteria to the organization.<sup>6,7</sup>

## PROFESSIONAL PEER REVIEW

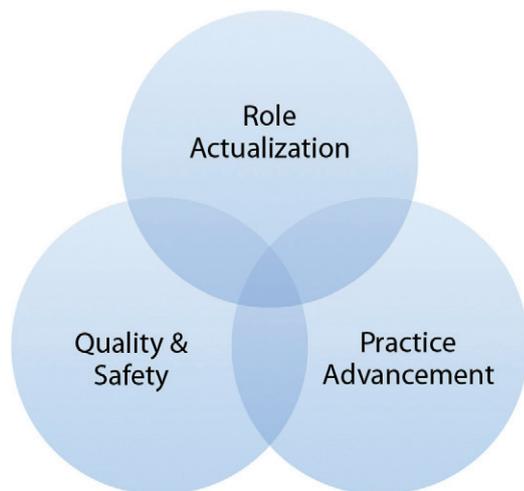
PPR is conducted within the professional practice model, in contrast to the managerial APR. Peer review is an organized effort and principled approach for reviewing the quality and appropriateness of services ordered or performed by professionals. Nursing uses the PPR to systematically assess, monitor, and make judgments about the quality of nursing care provided by peers as measured against professional standards of practice. The primary focus for peer review is the quality of nursing practice. The authors of the early American Nurses Association (ANA) peer review guidelines recognized that the quality, quantity, and the cost of care are closely related, and therefore what happens in one of these dimensions affects the other dimensions as well.<sup>9</sup>

Systematic peer review is needed to ensure the quality and competency of the professional through collaboration, communication, and accountability. Thus, peer review is a requirement of all professional disciplines. More than 20 years have passed since the first publication of the American Nurses Association's *Peer Review Guidelines*,<sup>9</sup> yet the demonstration of a fully implemented evidence-based peer review process is not apparent in most environments. The contemporary domains of peer review include the domains of quality and safety, role actualization, and practice advancement as illustrated in [Figure 1](#).<sup>10</sup>

Contemporary peer review principles include:

- Peer review involves the use of established standards for the evaluation of a nurse's practice using the following evidence-based peer review principles<sup>10</sup>:
- A peer is someone of the same rank.
- Peer review is practice focused.

Figure 1. Contemporary Areas of Peer Review



- Feedback is timely, routine, and a continuous expectation.
- Peer review fosters a continuous learning culture of patient safety and best practice.
- Feedback is not anonymous.
- Feedback incorporates the developmental stage of the nurse.

Each of these principles plays an important role in improving the overall quality and safety of organizations. When nurses participate in professional, principled peer review, they develop professionally and contribute to the overall quality and safety outcomes for patients.

## PEER REVIEW EDUCATION

The ANA identified the need for education concerning the value and benefits of peer review and defined that feedback to the nurse under review is more effective when verbal and written communication are combined.<sup>8</sup> However, the ANA did not define the educational framework necessary to conduct effective peer review and peer feedback. The literature indicates that insufficient training on giving and receiving feedback leads to rater inexperience and ineffectiveness, often resulting in artificial inflation or deflation of the rating.<sup>11</sup>

In addition, as identified in research from the AACN, poor communication is deadly, and silence kills.<sup>12</sup> By developing a systematic educational framework for effective peer review—one in which nurses continually improve communication through giving and receiving feedback—nurses are prepared to effectively collaborate to rescue patients and eliminate errors.

## CONCLUSION

Nursing professionals have a dual set of obligations: one to the profession and the other to the employing organization. Their obligation to the profession requires the establishment of peer review at all levels and in all settings, aligning the work of the discipline to the foundational underpinnings of the profession and to quality and safety outcomes for public advocacy. The obligation to the employing organization requires that all nurses participate in the APR as a way to align their personal goals to the organization in accomplishing successful business outcomes.

Managers have an obligation to the organization through their legitimate authority to facilitate the APR goal-setting process and then appraise each employee's accomplishments with reward and recognition. Nurse managers play an essential role in helping facilitate nurses' ownership of practice outcomes by supporting the development of a systematic PPR process in addition to an effective APR process. Shifting the process of clinical peer review from management to a staff-lead shared governance structure, requires that all levels of nurse managers are committed, resilient, flexible, visionary, and creative.<sup>13</sup> The meaningful use of peer review requires that nurses at all levels participate to help close the gaps in quality and safety. Ensuring both quality of care and quality of the care provider using PPR is a professional obligation for all levels of nursing.

Until the nursing profession embraces the principles of peer review and understands the differences between PPR and the APR, a sustainable structure for peer review will not be implemented. Without these processes fully adopted and understood, nursing will not meet its professional obligation for achievement of significant and sustainable changes in quality and safety outcomes for patients, families, and society. **NL**

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