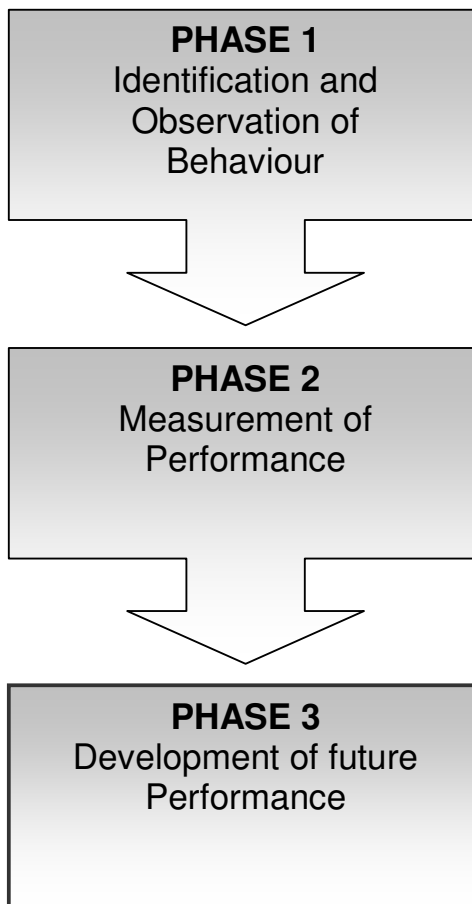


# PERFORMANCE APPRAISAL

WHAT IS A PERFORMANCE APPRAISAL?

## The Appraisal Process



## **THE PERFORMANCE APPRAISAL PROCESS**

### **A. Managers should . . .**

1. Translate organisational goal into individual job objectives and requirements
2. Communicate their expectations regarding employee performance
3. Provide feedback to the employees
4. Coach the employees on how to achieve job objectives and requirements
5. Diagnose the employee's relative strengths and weaknesses
6. Determine a development plan for improving job performance, and ability utilisations

### **B. Employees should get the answers to . .**

1. What am I expected to do?
2. How well am I doing?
3. What are my strengths, weaknesses?
4. How can I do a better job?
5. How can I contribute more?

### **C. The Company should . . .**

1. Provide employees with a clear understanding of what is expected of them; establish direction; set objectives and priorities, monitor results, respond to problems and give help and support to ensure that all assigned objectives are met on time.

## **OBJECTIVES OF THE APPRAISAL INTERVIEW**

### **1. To improve employee performance**

The appraisal interview provides an opportunity to the appraiser and employee to sit down and go over performance results one by one and to plan action to further improve performance.

### **2. To let the employee know where he/she stands**

Some managers may feel that formal appraisal interviews are not necessary because they are talking to their employees daily about performance which is not up to par. But this is not enough! It is often the most conscientious employee who is worried about where he stands and he is the one that the supervisor is least likely to talk to in the course of daily coaching. Then too, there may be special items and which employees would like to discuss with their supervisors, but which they hesitate to bring forward in the course of daily conversation.

### **3. To give recognition where due**

While the emphasis during appraisal interviews may tend to be on the highlighting of weak performance, the importance of recognising an employee's strengths and

good areas of performance must also be kept in mind. Recognition of this type can be a powerful motivating force in furthering the employee's development.

**4. To help the appraiser gain a better understanding of the employee and his work**

No appraisal can ever be too precise; therefore, despite the care that the appraiser takes in judging an employee, he will never have a complete answer to what makes the employee tick. The appraisal interview, in which the employee is given an opportunity of talking freely, making suggestions, and giving reasons why he performs as he does, may well give the appraiser a better understanding of the employee.

**5. To improve the manager/supervisor – employee relationship**

Open discussions with the employee to improve performance and further his future in the company can build a better relationship between supervisor and employee. Building this sort of relationship is an important key to the whole development process.

**6. To plan specific objective and performance targets**

An important part of helping an employee to develop is to encourage him to continually strive for higher standards of performance goals and for charting further progress in terms of attainable goals.

## **SIX PRINCIPAL STEPS TO REMEMBER IN THE APPRAISAL INTERVIEW**

1. Study and recognise your own attitudes and prejudices.
2. Consider the setting for the interview and allow sufficient time.
3. Put the subordinate at ease.
4. Stimulate self-appraisal – particularly in areas of weakness.
5. Mutual agreement of improvement plan.
6. Remember, it is the responsibility of the Branch Manager to ensure that these plans are carried out.

## **USEFUL TECHNIQUES TO FOLLOW WHEN DOING THE PERFORMANCE RATING**

1. Be factual and cite specific examples and accurate evidence of employee behaviour.
2. Consider day-in, day-out performance over the rating period. Do not let one or two outstanding happenings influence your appraisal. Rate the employee and not the importance of the job or position. Personnel in “better” jobs are not necessarily better employees.
3. Avoid the tendency to rate consistently high or low. Rate each employee honestly.

4. Build on strength but do not avoid areas of needed improvement.
5. The appraisal should be conducted by the individual's immediate Manager / Supervisor with no one else present.
6. The Manager / Supervisor and the employee must sign the form.
7. Be familiar with any training opportunities available in your Practice.

## **THE VERY SHY APPRAISEE WHO HAS LITTLE TO SAY IN THE INTERVIEW BUT WHO IS NONE THE LESS, A VALUED EMPLOYEE**

### **Getting people to open up**

1. Informal unhurried atmosphere
2. Praise and encourage
3. Probe and listen.

### **The people who are touchy and resent any comments or criticisms**

1. Invite self appraisal – no surprises
2. Discuss performance not personality
3. Be positive

### **The employee who wants to use the interview to criticise management**

1. Work to a structure and ask for alternatives
2. Focus on facts
3. Agree on measurable targets

# THE PERFORMANCE APPRAISAL PROCESS

## PREPARATION

### 1. Prepare the employee

Always give your employee fair warning of when their performance appraisal interviews are to take place. They should have at least a week's notice to review their work, study their job description or analyse problems and gather their questions and comments.

When you notify your employees of the date for their appraisal, stress that the appraisal is designed mainly to help them understand their own performance in the company.

2. Work out a mutually agreeable time for the interview. Plan it for a day when your relationship with your employee is at its best. Be sure to allow enough time in your schedule for the entire interview (of course, warn your employees to do the same.)

## PREPARE THOROUGHLY BY STUDYING THE APPRAISAL FORM AND INDIVIDUAL'S PAST ACHIEVEMENTS

### 1. Assemble the data

Collect all the information you need for the interview.

- 1.1 Review the relevant job description.
- 1.2 Compare the employee's performance against these criteria.
- 1.3 Look back in the files at the employee's previous performance appraisal (if one exists). Ask yourself whether the employee has met the goals set. Be careful not to let these past evaluations influence your impression of the employee's current performance.
- 1.4 Request comments from other managers who have observed the employee's work.
- 1.5 Complete the appraisal form. It will enable you to conduct an organised interview.

Be warned against developing an improvement plan at this point. Hold that for the interview itself and leave the primary responsibility to the employee.

## OBSERVE – OBSERVE – OBSERVE

1. Job descriptions are a general statement of the job duties and responsibilities.
2. Weed out the important job duties from the unimportant.
3. Be sure your observation is balanced and fair.

4. Performance raters can easily go wrong if they rely on incidents that are either too old or too new or if they base their judgement on a typical work period. Ultimately it is the performance that counts.
5. Appraise only if you have enough information.
6. Always keep the appraisal's purpose in mind.
7. List employee's strengths and weaknesses. Make your comments as specific and wide-ranging as possible.
8. When you dislike aspects of an employee's personality, assess job performance, not personality.
9. When you have mixed feelings about an employee's work, your doubts can affect your ability to conduct an effective performance appraisal. When this happens, turn to the facts and let them guide your opinion.
10. Aim for accuracy.

## **EXPLAIN THOROUGHLY TO THE EMPLOYEE HOW THE ACTUAL EXERCISE WILL BE CONDUCTED**

### **1. Set the tone at the start of the interview**

Your aim is to relax your employee. As you tell the employee how the interview will proceed and what you hope to accomplish, define the roles each of you will play. Make it clear that you are having a two-way conversation. Emphasise that the employee has your undivided attention and that you have blocked out an extended time period for the appraisal.

### **2. Ask the employee to evaluate his or her own performance**

To be sure that your frames of reference are the same, it is suggested that you ask employees to restate their performance objectives for the period and analyse how well they have met these objectives.

Use whatever the employee says as a jumping-off point for the interview. An employee that paints an unrealistic picture of past performance should be handled differently from an employee who gives you an honest appraisal. Use this period to understand how your employees view their work. If you have questions or need clarification, ask the employee to repeat any point about which you are unclear. Try to maintain an atmosphere that encourages an honest give-and-take.

### **3. Give your assessment of the employee's strong and weak points**

Be as positive as you can in your praise and criticism. Instead of talking about mistakes, faults or weaknesses, talk about constructive steps the employee can take to do a better job. Try to be descriptive, not evaluative, in presenting the

assessment information. For example, talk about an unmet sales quota, rather than the employee's poor job performance. And focus on solving problems rather than rehashing past events.

**4. Summarise your own and employee's views**

It is suggested that you talk about the strong points and weaknesses of performance and the reasons why the employee should try to improve. Distinguish areas in which you and your employee differ and try to resolve these differences by focussing on your reasons for CHANGE. You might convince the employee to try another tack. Often, however, the employee will continue to disagree with you. That's okay. Your aim is a complete understanding of each other's views.

**5. Take notes conscientiously and listen with 100% attentiveness**

Document your conversation and recommendations. Your written comments may prove invaluable later on if you have to dismiss the employee for unsatisfactory performance. Informal appraisals will strengthen your ability to honestly criticise your employee's work. Each experience makes the next one easier.

Follow the script and listen with 100% attentiveness.

# THE ACTION PLAN

## COMMIT YOURSELF TO AN ACTION PLAN

### Develop an action plan in co-operation with your employee

1. Choose goals that are as specific and practical as possible. Then compare them to what the employee has accomplished during the current appraisal period. Remember you are NOT DICTATING a plan of action. You are working with the employee to develop a viable plan, focusing on the most important goals instead of all the areas that need improvement.
2. Set a timetable for reaching these goals and devise ways of measuring their achievements.
3. As you develop the plan, be aware of problems that may require time to solve or are outside the employee's control, for example, to improve performance and employee may need additional education, job experience, counselling, greater responsibility or even a new supervisor.
4. Remember, *scrutinise, judge, predict, counsel, help and train*. These words sum up what performance appraisals is all about.
5. By the time a performance appraisal process is over, we should be able to answer the two most important questions employees have about their work: HOW AM I DOING? and WHERE AM I GOING?
6. We must know what employees have done in the past, how well they have done it, how we can expect them to perform in future and whether they are ready for a promotion/transfer
7. Do not base appraisals on poorly recollected events, hearsay and personal likes. Apply a standard of measurement applicable to every employees work.

### Let employees review their written appraisal

Give employees the opportunity to see what you have written on their appraisal forms. It shows that you have been forthright with them in your oral comments. Give them the opportunity to include both their positive and negative views in the appraisal file.

### Conclude the interview

When you and the employee have covered all points and are satisfied with the improvement plan, the interview is completed. Before expressing thanks for the employee's time and effort, summarise the main points once more and get him or her to sign the form. Try to conclude the interview on a positive note.

**Remember that this is an exercise in development and not a Disciplinary Enquiry!**

## **FOLLOW-UP**

### **Don't skimp on the follow-up**

Follow-up is the most crucial and most ignored aspect of the performance appraisal process. It is during the follow-up period that you monitor your employee's progress against the specific goals and timetable established in the interview. It is also the time to play your part in improving your employee's work by giving them the training and individual attention they need to reach their goals. You may have to hold monthly progress meetings with your employees and keep records and notes, but in the long run, the results are worth the effort.

Why does the performance appraisal follow-up fall short? One reason is that many managers and supervisors tend to think of performance appraisals as one-shot deals. Once they conduct the interview, they are finished until the next year. Another reason is that the demands of their busy schedules take over and they overlook their employee's needs. If you ignore the follow-up, your subordinates will likely approach the next performance evaluation interview with scepticism.

## **PREREQUISITES FOR A SUCCESSFUL SYSTEM**

1. The right program is developed (Policies and procedures that suits the organisation).
2. The program must be communicated to all involved.
3. The program must be "sold" to those who will conduct the appraisals.
4. Those doing the appraising and interviewing must be trained.
5. Controls must be established to ensure that the program is implemented.

## **YOUR QUESTIONS ANSWERED**

### **How often should managers be required to conduct performance reviews?**

- Once a year as a minimum.
- Twice a year would be better, but managers might resent the time involved and balk.

### **Should managers be required to do all their reviews at the same time or should reviews be spread out by using employee's hiring dates or promotions?**

Either way can work out. Do what is best and most acceptable to you in your organisation and read the given guidelines and procedures.

### **How much input should I get from the Departmental Heads when developing the program?**

Plenty! Departmental Heads should at least be able to react to the forms and procedures before finalisation. They must feel the program will help them do their job better and is not a personnel device that's forced on them. Their participation is necessary for maximum acceptance.

### **How can I be sure the program is going to work?**

By meeting the requirements – criteria and prerequisites for a successful system. Even then, follow-up should be made after the training in order to evaluate and offer help.

### **How can I tell whether or not interviews are being conducted effectively?**

The forms that are completed and returned to the personnel department are not a reliable measure of interview effectiveness. The best evaluation method is observing and/or recording the interviews.

### **How much subordinate participation should be built into the program?**

Plenty. Subordinates should be involved in determining the significant segments of their job, as well as setting performance standards. The interview should be conducted in such a way that the subordinate talks half the time. In the interview, the subordinate should have input into the final appraisal, the determination of strengths and weaknesses, and the development of a performance improvement plan.

### **What's the difference between standards and objectives?**

Standards are established for a job and designate an acceptable performance level. Objectives are set for an individual and must be challenging. Both should be developed mutually by the Manager and subordinate.

### **Is the performance appraisal compatible with management by objectives?**

Yes. The performance appraisal should focus on performance standards to arrive at a fair appraisal and determine strengths and weaknesses. In developing an improvement plan, objectives should be established for each individual.

### **Why do managers generally dislike performance review programs?**

The first reason is that managers are not convinced that the program is a good one, or that positive results will be gained. Additionally, they are not properly trained to

conduct interviews. They hesitate to be honest for fear that subordinates will resent them, and believe the review will be an unpleasant experience that might cause more harm than good. (They may be right if the program has not been properly planned and implemented!)

**Is it necessary to establish “standards of performance” to have an effective program?**

Yes. It is necessary and it is a very good idea. The two purposes for setting standards are to clarify what’s expected and to provide a basis for objective appraisals.

**If standards are used, should it be a requirement that standards be specific and measurable?**

No. It should be a strong recommendation that they be specific and measurable, but not a requirement. Try to set specific and measurable standards because they communicate better and provide a basis for objective appraisals. But even if standards can’t be stated in specific and measurable terms, establish them anyway because they will help to clarify what’s expected.

**Is it a good idea to require managers to do a lot of writing (standards, objectives, results) to have an effective program?**

No. Some people who develop performance appraisal forms believe that the more writing the manager is forced to do, the more effective the appraisal will be. Some forms don’t have any objective parts such as boxes to check or numbers to insert. This could be a mistake. Those who develop forms should try to minimise the amount of writing and still make the program effective. This means that there will be boxes to check or numbers to insert, but there will also be some writing required.

**What should be the approximate percentage of factors appraised that deal with performance versus those that deal with personality?**

The majority of items should be related to performance. Remember, the program is called “Performance Appraisal”. Appraisal items can include results to be achieved (quality, quantity, costs, morale, safety) as well as functions to be performed (training, communicating, planning, innovating, motivating). This does not mean that personality traits such as attitude, dependability, and integrity must be ignored.

**Should a self-appraisal by the subordinate be required in the programme?**

Yes. It assures the Manager that the subordinate has had a chance to prepare for the interview. The interview is easier to conduct when both parties have made out the appraisal form prior to the interview. It also assures that the subordinate will be honest in the interview. If self-appraisal isn’t required, a manager should ask for it.

**How much training is required and how should it be done?**

Sufficient training must be given to provide the knowledge, teach the skills, and create the attitudes necessary for effective program implementation. It should be done in regular training classes with groups small enough for proper discussion and practice. It should also be spread out over a period of time. It is also of utmost importance that the skills and knowledge required for successful implementation be identified prior to any training, taking place.

Manager should be given an assignment to practice and give comments and questions. The session should teach managers how to conduct an effective appraisal interview, and end with an assignment. The length of time for training, as well as the length of time between sessions, depends on the instructor, the group, and other organisational factors.

## **QUESTIONS ASKED BY MANAGERS**

### **Why do most subordinates dislike performance appraisal interviews?**

Because it is often an unpleasant experience. Some common problems cited by subordinates are:

1. they are not put at ease
2. they don't know what to expect
3. they get little opportunity to express themselves
4. they are afraid to disagree with the Manager for fear it will be held against them
5. they feel they are unfairly appraised
6. criticism is used more often than praise
7. Managers are defensive when challenged by subordinates
8. Managers aren't prepared

### **What can I do if I don't like the forms or procedures I'm requested to use?**

It all depends on the organisation. In some companies, managers must use the forms and procedures exactly as developed. In others, managers are able (and sometimes encouraged) to modify forms and procedures to fit the situation. In either case, if managers don't like the forms and procedures, they should offer suggestions on how these devices can be improved; those who developed and implemented the program will resent complaints and criticism. Suggestions for improvement may be accepted and even welcomed.

### **When is the best time to conduct a performance appraisal interview?**

When it is suitable for both Manager and subordinate. Managers should suggest a time and ask subordinates if it is convenient.

### **What's the maximum number of performance reviews that I can be expected to do?**

- There is no specific number. It all depends on how long each review takes and how many other things the manager has to do.
- If the manager feels that the time is well spent, it is amazing how many reviews can be conducted because high priority will be given to them.

### **How can I be sure I'm making a fair appraisal?**

- First of all, ask for input from others who are in a position to evaluate the performance of the subordinate. Next, be sure that neither the "halo effect" (a negative opinion of the individual) influences the appraisal. Also, be sure that the appraisal is not based just on the most recent events. A record of performance, good and bad can be kept during the entire year and used in the appraisal. Finally, the subordinate should be asked to make out a self-appraisal and bring it to the interview.

- The self-appraisal should be carefully considered in the appraisal interview and the manager should be willing to change his or her appraisal if a change is justified. It must end up as an appraisal that seems fair to both Manager and subordinate.

**After completing my appraisal, it is a good idea to get senior management's approval before conducting the interview?**

No. It is not a good idea to get approval; Management would then be forced to justify and not change the appraisal that is taken into the interview. It is all right to ask for input from Senior Management, but not approval.

**Is it all right for me to conduct the interview in my office with me sitting behind my desk and the subordinate sitting across from me?**

Yes and no. It all depends if the desk would be a barrier to the rapport that must be established, the manager and subordinate should sit side by side or go to a neutral place for the interview.

**What should be the approximate percentage of time I talk during the interview versus the time that the subordinate talks?**

On the average, the ratio should be about 50\50. In some cases where the subordinate is not a talker, the manager will have to lead the interview. In other cases where the subordinate wants to talk a lot, it might be the opposite. The manager should be sure that the subordinates have plenty of opportunity to talk freely. (By the way, the actual average is probably 85-90 percent by the subordinate!)

**How should I begin the interview – by telling the purpose or by talking about an area of common interest such as sports?**

Either approach is acceptable. Do what will put the subordinate at ease and set the stage for rapport throughout the interview.

**How can I get the shy subordinate to talk freely and honestly ?**

The best way is to have the subordinate make out a self-appraisal before he or she comes to the interview. Otherwise, the shy person will probably be very reluctant to talk, particularly if the manager gives his or her appraisal and then asks for reaction.

**How can I tell whether the subordinate is really being honest in the interview ?**

The best way is to have the subordinate bring a self –appraisal to the interview. Otherwise, the Manager is never sure whether or not the subordinate is being honest except, of course, when the subordinate is critical or resentful of what the Manager says. If, however, the subordinate has no critical comments or any comments at all, the manager can't be sure whether the subordinate is honest or is just afraid to be critical.

**Can I end the interview on a positive note even if the subordinate is not doing a good job?**

Yes. Every interview should end on a positive note such as, "I'm glad we had a chance to talk about your performance and how we can work together to improve it. I'm sure that together we can achieve more positive results".

# PERFORMANCE APPRAISAL

Company : \_\_\_\_\_

Department : \_\_\_\_\_

Job Title : \_\_\_\_\_

Employee Name : \_\_\_\_\_

Date of Interview : \_\_\_\_\_

	NAME	SIGNATURE
INTERVIEWER		
INTERVIEWEE		

**Complete the following:**

Date of previous appraisal: \_\_\_\_\_

Date of appointment in current position: \_\_\_\_\_

Job Title during previous appraisal: \_\_\_\_\_

Date of appointment: \_\_\_\_\_

Years of service: \_\_\_\_\_ years and \_\_\_\_\_ months.

Period covered by this performance appraisal:

From: \_\_\_\_/\_\_\_\_/\_\_\_\_ To: \_\_\_\_/\_\_\_\_/\_\_\_\_

The completed performance appraisal must be returned to:

\_\_\_\_\_ by \_\_\_\_\_

Date of scheduled interview: \_\_\_\_\_

# PERFORMANCE APPRAISAL

	Unacceptable	Minimum Acceptable	Meets position requirements	Superior	Outstanding
	1 or 2	3 or 4	5,6 or 7	8 or 9	10
Key performance areas					
1.					
Reasons :					
2.					
Reasons :					
3.					
Reasons :					
4.					
Reasons :					
5.					
Reasons :					
6.					
Reasons :					

	Unnacceptable	Minimum Acceptable	Meets position requirements	Superior	Outstanding
Key performance areas	1 or 2	3 or 4	5,6 or 7	8 or 9	10
7.					
Reasons :					
8.					
Reasons :					
9.					
Reasons :					
10.					
Reasons :					

## DEVELOPMENT INTERVIEW

KPA	Employee	Appraiser	Date
1.	Actions :     Goals :     	Actions :     Goals :     	
2.	Actions :     Goals :     	Actions :     Goals :     	

Development interview *(continued)*

KPA	Employee	Appraiser	Date
3.	Actions :    Goals :    	Actions :    Goals :    	
4.	Actions :    Goals :    	Actions :    Goals :    	

Development interview *(continued)*

KPA	Employee	Appraiser	Date
5.	Actions :    Goals :    	Actions :    Goals :    	
6.	Actions :    Goals :    	Actions :    Goals :    	

Development interview *(continued)*

KPA	Employee	Appraiser	Date
7.	Actions :    Goals :    	Actions :    Goals :    	
8.	Actions :    Goals :    	Actions :    Goals :    	

KPA	Employee	Appraiser	Date
9.	Actions :     Goals :     	Actions :     Goals :     	
10.	Actions :     Goals :     	Actions :     Goals :     	

## **COMMENTS**

### **Employee's view of the appraisal:**

- Interview: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
- Outcome: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Employee's ideas for improving the job and assuming increased responsibility. *(Discuss how these can be used for mutual benefit.)*

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## COMMENTS

### Appraiser's view of the appraisal:

- Interview:

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- Outcome:

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Appraiser's ideas for improving the job and assuming increased responsibility. (*Discuss how these can be used for mutual benefit*)

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**SIGN-OFF BY EMPLOYEE**

I hereby agree to the outcome of my performance appraisal and I undertake to accomplish the agreed goals set by myself and my appraiser.

Signed : \_\_\_\_\_

Date : \_\_\_\_\_

Name : \_\_\_\_\_

**SIGN-OFF BY EMPLOYER**

Signed : \_\_\_\_\_

Date : \_\_\_\_\_

Name : \_\_\_\_\_