

Performance Appraisals

Practice Guide

Regular feedback and mentoring at work is important to people - just ask a few of your employees. Whether you work in a small or large organisation, it pays to manage and performance appraise your staff successfully in order to build positive and motivated individuals and teams.

Many organisations conduct performance appraisals (albeit infrequently), but how effective are they and what do they achieve? Managing them poorly can result in more harm than good. The process can often create conflict and negative relationships between managers and employees, resulting in unhappy people who lack motivation. It may be a complete waste of time and effort which can lose you and your organisation money and resources.

To be effective and useful, performance appraisals need to be more than a tick-box exercise or an annual 'name, blame and shame' session.

Appraisals should be a process to help manage and develop people and improve workforce culture through open and transparent communications, fostering relationships and performance.



Tip 1

Do not think of appraisals as a once-a-year event, but rather a continuous process of monitoring and feedback. Conduct formal reviews regularly (every 6-12 months) and provide a summary of both positive and negative observations during the entire appraisal period.

Tip 2

Conduct the appraisal in a neutral and comfortable environment where you can give the employee your full attention. Make the employee feel valued and treat the process as an opportunity to develop rapport, respect and open communication.

Use active listening and give sincere recognition where it is due. This is the key to employee engagement, satisfaction and loyalty.

Tip 3

Prepare what you are going to say. Appraisals should be balanced and fair, so plan the review objectively. Use the employee's key required competencies or result areas, to base the performance review on and set improvement goals. Be specific when you provide feedback. Avoid vague, petty or general comments that are not helpful. "You're doing a good job" is not specific enough for most people who need direction and constructive feedback.

Tip 4

Criticism should be constructive and fact based, and any negatives viewed as challenges and suggestions for improvement. Ensure criticism is balanced. Never lose sight of the whole person and whole performance. Otherwise, the process becomes humiliating for the employee or undermines their trust and confidence in you and the organisation. When giving criticism, use good communication skills to help avoid conflict and relationship breakdown.

Tip 5

Design an effective approach and do not give your employee any surprises. Self-appraisals and 360° appraisals can be used, but they need careful planning. Your employee needs to know why they are being used and what they involve.

Tip 6

Ensure all your performance appraisals are carried out with consistency and professionalism. Avoid the tendency to compare an employee against other employees. Assess according to the specific requirements of the job. If an employee perceives that the process is not fair, they could claim victimisation, bullying or discrimination.

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Tip 7

If the appraisal does not go the way you planned and the employee becomes defensive or challenging, always stay calm and stick to your plan. In situations where the process completely breaks down, it is still up to you to remain calm, handle the situation confidently, and be resolute in taking the appropriate action steps.

Tip 8

The most effective managers know their team's individual strengths and weaknesses so the appraisal is a good place to assess and support employee training and development needs. Employees are motivated and more committed to organisations which help them develop their skills, knowledge and career path.

Tip 9

After discussing the employee's strengths and areas for development then prepare their performance objectives. These objectives or goals should be meaningful and worth aiming for. Objectives should define your expectations and direction for the employee without being too prescriptive and inflexible. A helpful question to ask is "What can we do to help you accomplish X?" This gives the employee ownership over the action plan and hopefully increases their confidence and motivation to accomplish the desired outcomes.

Tip 10

Keep the process alive after the appraisal. When your employee meets their performance objectives, or achieves a new competency, make sure you comment and affirm their commitment to the process. Likewise, when an employee has not met their objectives, you need to remind the employee of the agreed action plan.

Summary

- 1 Performance appraisals help to retain and motivate successful employees.
- 2 The process should be an ongoing collaborative opportunity to provide feedback to each other.
- 3 Performance appraisals should focus on achievement, performance and development.
- 4 Managers should prepare honest, balanced and objective feedback.
- 5 Managers should provide useful feedback with specific examples about what they are doing well and where they need to improve.
- 6 Managers should use active listening skills to develop open communication and increase individual openness to change.
- 7 Performance objectives should provide employees with clear expectations and help managers to measure their ongoing development and performance.
- 8 Achieved well, performance appraisals can enhance loyalty and commitment and result in motivated and happy employees.

Reflect

Does our organisation's performance appraisal process help to motivate and develop employees?



Could I provide employees with more constructive and helpful feedback more often, not just during the formal review process?