



In Praise of Appraisals





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INTRODUCTION

Performance appraisals are an important part of performance management. In itself an appraisal is not performance management, but it is one of the ranges of tools that can be used to manage performance. Because it is most usually carried out by line managers, rather than HR professionals, it is important that they understand this and how a performance appraisal contributes to performance management.

The performance appraisal, or review, is essentially an opportunity for the individual and those concerned with their performance – most usually their line manager - to get together to engage in a dialogue about the individual's performance, development and the support required from the manager. It should not be a top down process or an opportunity for one person to ask questions and the other to reply. It should be a free flowing conversation in which a range of views are exchanged.

Performance appraisals usually review past behaviour and so provide an opportunity to reflect on past performance. But to be successful, they should also be used as a basis for making development and improvement plans, and reaching agreement about what should be done in the future.

Here are some guide notes, which will take you through the process.

Jonathan Farrington



WHAT AN APPRAISAL IS – AND WHAT IT IS NOT

The performance appraisal is often the central pillar of performance management.

Performance appraisals, on the other hand, are operational, short to medium term, and concerned only with the individual and their performance and development.

However, it is a common mistake to assume that if organisations implement performance appraisals, they have performance management. This is not the case. Performance management is a holistic process bringing together many activities, which collectively contribute to the effective management of individuals and teams, in order to achieve high levels of organisational performance.

Performance management is strategic in that it is about broader issues and long term goals, and integrated in that it links various aspects of the business, people management, individuals and teams.

Performance appraisals, on the other hand, are operational, short to medium term, and concerned only with the individual and their performance and development. It is one of the tools of performance management and the data produced can feed into other elements of performance management, but in itself can never be performance management.





HOW TO CONDUCT A PERFORMANCE APPRAISAL

The five key elements of the performance appraisal are:

- ★ **Measurement** – assessing performance against agreed targets and objectives.
- ★ **Feedback** – providing information to the individual on their performance and progress.
- ★ **Positive reinforcement** – emphasising what has been done well and making only constructive criticism about what might be improved.
- ★ **Exchange of views** – a frank exchange of views about what has happened, how appraisees can improve their performance, the support they need from their managers to achieve this and their aspirations for their future career.
- ★ **Agreement** – jointly coming to an understanding by all parties about what needs to be done to improve performance generally and overcome any issues raised in the course of the discussion.

There is no one right way to conduct an appraisal. Some companies develop an appraisal form with space for appraisers to rate appraisees on aspects of their work, such as their contribution to the team, role development, effectiveness, etc. The approach will depend on the nature of the business and the people involved.

There is no one right way to conduct an appraisal.

However, as a minimum it is helpful to have a form to collect consistent information on the appraisal. This may be in the form of a free dialogue from appraisers with the opportunity for appraisees to reply and comment.





As a general rule, it is helpful to have some information on the following:

- ★ **Objectives** – whether they were achieved and if not, the reasons why
- ★ **Competence** – whether the individual's performance is below, within, or above the requirements of the role
- ★ **Training** – what training the individual has received in the review period and what training or development they would like to receive in the future?
- ★ **Actions** – a note of any actions that need to be carried out by the individual or the appraiser

Increasingly, organisations are putting more emphasis on the kind of behaviour they want their employees to exhibit.

There is a view that the content of appraisal discussions should be confidential to the individual and the appraiser. But increasing pressure to provide information, to assess the contribution of people to organisational value, makes it desirable that performance data be recorded and stored in such a way that it can be used to feed into indicators of human capital value.

Increasingly, organisations are putting more emphasis on the kind of behaviour they want their employees to exhibit. Behaviour - particularly management behaviour - has been identified as a significant source of value. They are therefore not solely concerned with the achievement of objectives, but how these were achieved. Some organisations are identifying a set of positive management behaviours, for example, and then rating against them. Others are identifying the behaviours associated with excellent service and rating against these in the appraisal process.





Again, the design of the process will depend on what is important to the particular business and the achievement of their business objectives, and will therefore be influenced by the wider performance management process. It is important that people don't achieve their objectives at the expense of their colleague's morale.

CONDUCTING APPRAISALS – THE ESSENTIAL SKILLS

All managers expected to carry out performance appraisal should have some training. Ideally, this should not just be on the skills of performance appraisal – the 'how' to do it - but also on the reasons for performance appraisals, as the 'why' we do it. Managers should understand how it fits into the wider strategic process of performance management and how the information and data generated contributes to the understanding of how the human capital in an organisation makes an input into business strategy and value.

It is important that people don't achieve their objectives at the expense of their colleague's morale.

A basic requirement is that appraisers have the skills to carry out an effective appraisal as described above. This means they ask the right questions, listen actively, and provide feedback.





ASKING THE RIGHT QUESTIONS

Probing questions dig deeper for more specific information on what happened or why.

The two main issues are to ensure that appraisers ask open and probing questions.

Open questions are general, rather than specific. They enable people to decide how they should be answered and encourage them to talk freely.

Examples include:

- ★ How do you feel things have been going?
- ★ How do you see the job developing?
- ★ How do you feel about that?
- ★ Tell me, why do you think that happened?

Probing questions dig deeper for more specific information on what happened or why. They can show support for the individual's answer and encourage them to provide more information about their feelings and attitudes, and they can also be used to reflect back to the individual and check information. Examples would be:

- ★ That's very interesting. Tell me more about?
- ★ To what extent do you think that ...?
- ★ Have I got the right impression? Do you mean that?





LISTENING

Good listeners:

- ★ Concentrate on the speakers and are aware of behaviour, body language and nuances that supplement what is being said
- ★ Respond quickly when necessary, but don't interrupt
- ★ Ask relevant questions to clarify meaning
- ★ Comment on points to demonstrate understanding, but keep them short and do not inhibit the flow of the speaker

GIVING FEEDBACK


Giving feedback is a skill and those with no training should be discouraged from giving feedback..

Feedback should be based on facts, not subjective opinion, and should always be backed up with evidence and examples. The aim of feedback should be to promote the understanding of the individual, so that they are aware of the impact of their actions and behaviour. It may require corrective action where the feedback indicates that something has gone wrong.

However, wherever possible, feedback should be used positively to reinforce the good and identify opportunities for further positive action. Giving feedback is a skill and those with no training should be discouraged from giving feedback.

Feedback will work best when the following conditions are met:

- ★ Feedback is built in with individuals being given access to readily available information on their performance and progress
- ★ Feedback is related to actual events, observed behaviours or actions
- ★ Feedback describes events without judging them

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- ★ Feedback is accompanied by questions soliciting the individual's opinion on why certain things happened
 - ★ People are encouraged to come to their own conclusions about what happened and why
 - ★ There is understanding about what things went wrong and an emphasis on putting them right, rather than censuring past behaviour

APPRAISAL MEETINGS – THOROUGH PREPARATION IS ESSENTIAL


Both parties should prepare for an appraisal meeting beforehand, if a successful outcome is to be delivered.

The person conducting the meeting, or the appraiser, should:

- ★ Consider how well the individual has performed since the last meeting
- ★ Consider to what extent any agreed development plans from the last meeting have been implemented
- ★ Think about the feedback to be given at the meeting and the evidence that will be used to support it
- ★ Review the factors that have affected performance - both those within and outside the individual's control
- ★ Consider the points for discussion on the possible actions that can be taken, by both parties, to develop or improve performance
- ★ Consider possible directions the individual's career might take
- ★ Consider possible objectives for the next review period

The individual, or appraisee, should consider the following points:

- ★ What they have achieved during the review period, with examples and evidence
- ★ Any examples of objectives not achieved, with explanations

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- ★ What they most enjoy about the job and how they might want to develop the role
 - ★ Any aspect of the work in which improvement is required and how this might be achieved
 - ★ Their learning and development needs, with arguments to support their case for specific training
 - ★ What level of support and guidance they require from their manager
 - ★ Their aspirations for the future, both in the current role and in possible future roles
 - ★ Objectives for the next review period

SELF-ASSESSMENT

In some instances, it may be helpful to guide appraisees through a self-assessment process, encouraging them to assess and analyse their own performance as a basis for discussion and action. This can improve the quality

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of the appraisal discussion, because individuals feel actively involved in the process, and it encourages them to work through the points above beforehand. This can be particularly useful with more junior staff or those not used to appraisals.

However, self assessment can only work if individuals have clear targets and standards against which to assess themselves. It can also only be effective in a climate of trust where individuals believe their appraisers will not take advantage of an open self-assessment.



WHAT A GOOD APPRAISAL LOOKS LIKE

Every manager has to appraise subordinates and the mechanics of it vary from ticking little boxes, through marking on five-point scales, to writing an open ended report.

A good and constructive appraisal meeting is one in which:

- ★ Appraisees do most of the talking
- ★ Appraisers listen actively to what they say
- ★ There is scope for reflection and analysis
- ★ Performance is analysed, not personality
- ★ The whole period is reviewed - not just recent or isolated events
- ★ Achievement is recognised and reinforced
- ★ Ends positively with agreed action plans

AND FINALLY - A BAD APPRAISAL MEETING

- ★ Focuses on a catalogue of failures and omissions
- ★ Is controlled by the appraiser
- ★ Ends with disagreement between appraiser and appraisee

FINALLY, THE MECHANICS – HOW TO CONDUCT A SUCCESSFUL APPRAISAL

Most organisations review the performance of their employees on a regular basis - usually annually. The term appraisal however, is disliked by many, conjuring up images of a superior passing judgement in a god like fashion. The answer must be to establish good relationships between both. Every manager has to appraise subordinates and the mechanics of it vary from ticking little boxes, through marking on five-point scales, to writing an open ended report. These notes however, are mainly concerned with relationships. The primary purpose of an appraisal is to help the subordinate.





REASONS FOR AN APPRAISAL

- ★ To provide feedback of individual performance
- ★ To plan for future promotions and successions
- ★ To assess training and development needs
- ★ To provide information for salary planning and special awards
- ★ To contribute to corporate career planning

THE THREE MAIN PRINCIPLES FOR APPRAISAL AND COUNSELLING INTERVIEWS

1. Everything written should be shown and shared
 - ★ Secrecy breeds suspicion
 - ★ Suspicion destroys a counselling relationship

TWO SPECIFIC ASPECTS OFTEN WITHHELD ARE THOSE RELATING TO:

- ★ a) Poor performance
- ★ b) Potential promotion

Telling the subordinate of potential promotion is very likely to be interpreted as definite, with keen disappointment if it does not happen.

In the first, the secrecy reflects the manager's own anxiety - telling someone they are doing badly is not easy.

The second, promotion, is difficult. Telling the subordinate of potential promotion is very likely to be interpreted as definite, with keen disappointment if it does not happen.





If there is something a manager feels they cannot communicate to a subordinate, then that is probably a good enough reason to exclude it from the appraisal report.

2. The Appraisal report should be finalised in the presence of the subordinate
 - ★ All fair and above board
3. The subordinate should contribute a major part to the appraisal
 - ★ Self-appraisal is particularly effective in two areas

ATTITUDES IN RELATION TO PERFORMANCE

First, the area of weak performance. Most individuals will be surprisingly open and honest about themselves, if the appraisal or counselling is a supportive relationship.

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Analyse rather than criticise.

Secondly, the area of career progression. Managers tend to see a subordinate's future in terms of the other people in the department and how, particularly, the manager's own progression developed.

Giving the subordinate the chance to talk may reveal totally different aspirations.

EMOTION

There is always an element of emotion in appraisal interviewing. Both manager and subordinate each have positive and negative feelings, and appreciating what they are can help understanding.





THE MANAGER

Positive feelings:

- ★ Wants to be helpful and understanding, but may be inclined to offer advice too closely related to their own experience. Needs to remember the subordinate is an individual in their own right.
- ★ Wants to be kind and tolerant and liked by their staff. However, they must be prepared to point out the realities of any situation.

Negative feelings:

- ★ May be fearful of the interview itself and whether they may make a mess of it. These fears diminish with practice.
- ★ Fear of the interview becoming emotional and perhaps creating hostility in the subordinate. This is overcome by developing relationships where expression of feelings is normal.
- ★ May have feelings of envy - i.e. the subordinate's youth, health, qualifications or career opportunities - It is essential to control them.

THE SUBORDINATE

Positive Feelings:

- ★ Wants to be liked by the boss. However, they must not allow this to make them dependent and subservient.
- ★ Wants to be helped to improve.





Negative Feelings:

The most likely one is fear of criticism of their work or their behaviour. Until the manager allays this fear, the interview will be meaningless and achieve nothing. Only the manager can allay this fear by establishing a counselling relationship, which shows they are fair and can be trusted. It is possible that a member of staff will perform at an acceptable level without motivation, but in many - indeed most cases - their results will not reflect their true potential.

A good manager is always conscious of the need to motivate whenever an opportunity occurs. The assessment interview, properly planned, can be the most potent force for improvement.

ATTITUDES MUST BE UNDERSTOOD BEFORE MOTIVATION CAN TAKE PLACE

We all have attitudes towards work, politics, religion and so on. Those which are the concern of management are those which are related to the job.

A good manager is always conscious of the need to motivate whenever an opportunity occurs.

- ★ Are they positive, neutral, or negative?
- ★ In what areas must we know what they think?
- ★ How can we find out what they think?
- ★ How can we influence their thinking?

If the manager knows their own attitudes and those of their staff, then they are better equipped to manage them.

People think in settled, standard ways dictated by their attitudes, which form, as it were, the filter into their receptiveness. This can even determine what actually does come to their notice.





Some attitudes and beliefs cannot be changed because they are so deeply held, whilst others can fairly easily be changed - provided open-mindedness is a strong attitude.

A person's standards will be directly related to their attitudes. If the standard is unacceptable to the manager, then it must be changed.

In a group of sales people who have undergone the same selection process to meet the same job description, there will be a considerable overlap of attitudes, but it must not be assumed that each set is identical - people will have their own unique set of attitudes.

A person's standards will be directly related to their attitudes.

We must not fall into the trap of judging others by our own attitudes - e.g.

- ★ What would I do if I were them?
- ★ What would they do if they were me?

BASIC ATTITUDES IN MEMBERS OF STAFF, WHICH NEED TO BE UNDERSTOOD BY THE MANAGER ARE:

- ★ To the job
- ★ To our products
- ★ To their colleagues
- ★ To the Company
- ★ To their manager
- ★ To their customers
- ★ To training





The manager must know what each individual's attitudes are before they can do anything about them, if indeed, anything needs to be done.

- ★ What do they say?
- ★ How do they say it?
- ★ What do they write?
- ★ How do they express themselves?
- ★ What do they do?

Questioning, in the formal situation related to attitudes, may be unsuccessful as the person will be on their guard and will tend to “feed” what they think the manager wants to know.

The manager must be constantly on the alert, looking for inconsistencies which will help improve their understanding or provide new information. Chance remarks, when off guard, often give away the genuine attitude.

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Where emotions are stimulated, attitudes are more clearly displayed.

There is always an inter-relationship in a person's attitudes.

The manager's task is to strengthen desirable attitudes and minimise or eliminate the undesirable ones.

It must be remembered that people can succeed, despite some undesirable attitudes, because other stronger attitudes are dominant. After all, it is results that count!





IN SUMMARY, THE STEPS IN SUCCESSFUL PERFORMANCE APPRAISAL

1. Review the case history in advance
2. Listen to the evidence
3. Discuss diagnosis
 - ★ Don't concentrate on character traits
 - ★ Discuss things that can be improved
4. Face up to problem areas
5. Agree a plan of action
6. Write up a report of the interview
7. Progress that report
8. Never discuss a salary review at the appraisal interview



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