

CONDUCTING EFFECTIVE PERFORMANCE APPRAISALS



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ABOUT Performance Appraisals

A performance appraisal is a review of an employee's performance conducted at regular intervals. This can be done monthly, quarterly, or annually, and provides an overview of how an employee's work aligns with your company strategy.

The appraisal allows you to look for high-performers and employees with growth potential. They give you feedback for making staffing and training decisions. Conducted effectively, appraisals provide a clear understanding of areas that need improvement and show you where your strengths lie.

For employees, the appraisal is a good way for them to understand their role in your company and for you to communicate your expectations for their performance. This also gives a chance to review employee goals and ensure they meet their potential.

Conducting effective performance appraisals requires determining the best tools for your company, training managers properly in these tools, and communicating the importance of reviewing performance toward your company's success and growth.

WHY ARE Appraisals Important?

Employee performance is the cornerstone of your company's success. The functions your employees perform have a direct impact on the success of your business objectives and goals. Performance appraisals allow you to provide feedback to your employees that helps align company and employee goals.

Conducting regular appraisals helps you pick out your top performers and provides opportunities to recognize employees for strong performance or outstanding results. This is also an opportunity to discover areas that need improvement. Appraisals help you pinpoint the opportunities for employees to grow in your company.



Done well, the appraisal process leads to increased productivity, profitability, employee morale, and improved company culture.

An effective performance appraisal requires clear expectations and consistent feedback. Develop processes and train your leadership to focus appraisals on:



KEY FOCUS AREAS TO OPTIMIZE APPRAISALS

Monitoring Ongoing Performance:

Supervisors should regularly assess employee performance against the work objectives set out for them. Set up metrics to track results and use this data to guide appraisals and track improvements.

Providing Timely Feedback:

Feedback shouldn't wait for set appraisal times. Offer constructive feedback immediately, recognizing achievements and areas for improvement on the spot. This practice makes the appraisal conversation easier and quicker. It ensures employees can see their progress or make needed adjustments throughout the year, reducing surprises during the appraisal. Timely feedback also increases engagement, improves productivity, and allows for quicker turnaround on performance improvements

Maintaining Detailed Documentation:

Keep thorough records of performance metrics and ongoing reviews throughout the year. This documentation will help you track progress, identify trends, and support discussions and decisions made during the performance appraisal. Think of the appraisal as a living document. By adding these details over time, you save time in the long term and create a more true picture of performance, reducing bias.

Conducting Ongoing Conversations with Employees:

Engage in regular, informal discussions with employees between appraisal periods. Make time to discuss their performance, career aspirations, and any challenges they are facing. Keep notes of any important points during these conversations that may affect the appraisal.



KEY FOCUS AREAS

To Optimize Appraisals

Supervisors should stay in touch with employees throughout the year, using feedback from their appraisals for ongoing performance discussions. This ongoing interaction allows supervisors to provide needed support and guidance.

Supervisors should also communicate their vision for employee roles, ensuring their team understands how their contributions affect the company's objectives. This open communication helps build a sense of trust between employees and leadership, creating a more engaged and motivated workforce.



TYPES OF Performance Appraisals

While you should conduct a formal, in-depth performance appraisal at least once a year, multiple formal and informal appraisal methods can be utilized throughout the year to keep up with employee performance.

CHECK-IN

A check-in is a regular, informal discussion between managers and employees that provides the opportunity to keep up with ongoing projects. These can be conducted one-on-one or with a group and can be weekly or bi-weekly depending on what works best for everyone involved.

During check-in meetings, your managers can follow up on formal reviews to ensure progress is made and provide any further resources needed. During one-on-one meetings, managers can also take the opportunity to better understand employee goals and needs. Any notes from these check-ins can help guide discussions during full appraisals.

PROJECT REVIEW

Project reviews should be conducted once a project is completed. This is a chance to review results and resources and provide feedback that could be helpful for the next project.

Project reviews work best when your company completes projects in sequence. It is harder to put feedback from these reviews into practice if you have multiple ongoing projects with staggered start and end dates.

CRITICAL INCIDENT APPRAISALS

Critical incident appraisals are completed to keep up with negative and positive employee behavior between appraisal meetings. These logs are kept based on specific criteria for the job in question.

Critical incident appraisals allow your managers to deal with positive or negative behavior throughout the year so there are no surprises during the formal appraisal.

CHECKLIST APPRAISAL

Checklist appraisals provide a standardized appraisal system for your managers. This type of appraisal allows them to answer yes or no to a series of set questions or comments about individual roles.

With a checklist appraisal, you can ensure all employees are evaluated by the same or similar metrics, reducing the chance of bias or errors. While this type of appraisal can make the process easier, it's best to pair it with options that allow for more individual feedback.

COMPETENCY ASSESSMENT

The competency assessment allows you to measure an employee's ability against critical job requirements. This method allows you to discover any gaps in employee skills which helps you determine what, if any, training is needed.

The competency assessment should be individualized to job roles, and specific metrics that determine an employee's ability to perform the role. You can create standardized competency assessments for each role, which reduces the chance of bias or appraisal error.

RATING APPRAISAL

The rating appraisal is an appraisal completed by rating employee performance on a numerical scale (1-5).

Example:

Teamwork

1	2	3	4	5
Exceeds Expectations	Above Average	Average	Below Average	Poor

This option allows you to rate individual areas and use these ratings to create an overall performance score. It's best to provide notes to explain poor review scores and discuss appraisal results one-on-one with employees. The rating appraisal works best when paired with a review method that provides feedback on how an employee can improve performance in each area.

BEHAVIORALLY ANCHORED RATING SCALES

The BARS appraisal provides a numerical rating scale based on behaviors.

Example:

Competence	1	2	3	4	5
Customer service when working with leads	Does not respond to emails/calls; is rude in their answers; doesn't answer questions adequately; does not keep records of contact with leads	Takes a long time to respond to inquiries; leaves out or forgets pertinent info when responding; sometimes forgets to make notes on communications with leads	Responds to inquiries within a couple of hours; provides all info requested; keeps notes of interactions	Responds to inquiries within an hour; follows up to make sure all questions are answered; keeps thorough notes of interactions	Responds to inquiries immediately; provides plenty of info to help with decisions and multiple follow-ups; makes notes of all content shared and indications of where leads are in the buying process

This appraisal method is best when you have teams where the employees within the team complete similar jobs. Each number has a behavior attached based on the skill section so that you can provide a rating while providing some feedback on desired and undesired behaviors.

MANAGEMENT BY OBJECTIVES (MBO) APPRAISAL

The MBO appraisal measures performance based on specific objectives agreed on by employees and managers. To complete this type of appraisal, managers must meet with employees to determine the objectives for the period being measured.

These objectives should align with company goals, and managers should provide thorough feedback on how employees perform on the objectives and any areas that need improvement.

360 FEEDBACK

The 360 feedback method is an in-depth appraisal that includes manager and coworker feedback on an employee's performance. This is an opportunity for cross-department feedback, so you have a comprehensive understanding of how the employee works with other teams.





ADDRESSING COMMON Complaints About the Appraisal Process

Common complaints about performance appraisals include that they are:

TIME CONSUMING

Many employees and managers feel the necessary paperwork, preparation, and individual meetings detract from “real” work, making the process seem like a burden rather than a valuable tool.

INCONSISTENT

Lack of processes and inconsistent application of appraisal criteria can lead to perceptions of unfairness and bias. When employees feel they are not being evaluated fairly, it can lead to mistrust.

MISLEADING

Without a fair, defined process appraisals cannot drive improvements, making the appraisal ineffective. Unorganized appraisals fail to make connections between the feedback and an employee’s daily work.

NONINFORMATIVE

Without clear objectives, there is no room to provide career development opportunities or actionable feedback, making the appraisal a box to tick rather than a tool to drive productivity.



Performance appraisals should guide employees toward improved behaviors and reward exceptional performance. They should provide an accurate snapshot of needed training or other improvements to drive workplace performance.

To address these common complaints, you should set up policies and strategies that streamline the appraisal process.

Encourage managers to keep notes between appraisals that will help them guide their preparation and reduce the time needed to gather data. Address positive and negative performance immediately, documenting the incidents. Maintain clear communication about the objectives and potential improvements expected from appraisals to help managers and employees understand the importance of the process.

Lay out detailed, standardized criteria for the appraisal process. This will ensure employees are evaluated fairly and cut out confusion around how to conduct an appraisal. Provide training for managers on how to conduct unbiased appraisals to reduce perceptions of favoritism and inconsistency.



Focus appraisal results on employee development and career growth. Discuss training and resource needs, career aspirations, and potential opportunities for employees to grow within your company.

Include actionable steps employees can take to address the feedback they receive during the appraisal. Employees should leave the appraisal with a clear understanding of what they can do to meet their goals and the objectives discussed.

By addressing these issues, performance appraisals can become a valuable tool that drives results for your employees and your business.

OUTCOMES OF Effective Appraisals

When utilized correctly, an employee performance appraisal is a valuable tool for holding employees accountable, reaching desired results, and aligning employees with your business strategy. The appraisal provides a chance to facilitate career development, assess training needs, and plan for other necessary resources to improve performance.

Performance appraisals, conducted effectively, have several positive outcomes.

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MANAGE EXPECTATIONS

Your performance appraisal should create an understanding between your employees and leadership about expectations. It should give a clear picture of their current performance and what is expected of all parties moving forward.

The appraisal allows managers and employees to collaborate to establish goals and set metrics to assess the progress towards these goals. This tool encourages open communication about how employees and managers can work together to meet expectations and reach desired results.

This allows you to create a more transparent and productive work environment. This process clarifies what is expected of employees and provides the guidance and support they need to achieve these goals.

Employees are more productive when they understand how their role fits with company goals. Appraisals give an opportunity to align employee goals with company goals and provide a clear understanding of the link.

During the appraisal process, managers and employees can discuss and clarify how specific job responsibilities and personal objectives align with the company's overall objectives. Aligning employee responsibilities and goals with company goals fosters a sense of belonging and purpose.

By working with employees to understand how they fit into company goals and helping them to align their professional goals to company objectives, you build a strong, unified company culture. You enhance teamwork and collaboration by creating a shared sense of mission.

Regular appraisals provide a history of work performance over different periods. This ongoing record provides valuable insights into an employee's growth, development, and performance consistency.

By documenting achievements, challenges, and feedback over time, managers can track progress and identify patterns that might not be evident otherwise. A thorough performance history allows you to better assess an employees potential for growth in your company. This information is essential for making informed decision about the future needs of your organization.

Ongoing appraisals also help you identify needs for training, support, and additional resources to help employees succeed. Having a well-documented record of discussions and feedback on employee performance reduces surprises.

Performance appraisals provide an opportunity to gain deeper insight into your employees' career goals. Employees should be encouraged to share their ambitions, desired career paths, and areas where they would like more growth and development opportunities.

This feedback provides a foundation for creating development plans that align employee interests with your company's needs. This alignment ensures employees have the opportunity to develop skills that are personally fulfilling while providing a strategic advantage for your organization.

Regular appraisals allow you to track employee progress towards these development goals. You can review achievements, discuss obstacles, and make necessary adjustments to continue meeting organization and employee needs.

Recognizing employee achievements is fundamental for boosting morale, motivation, and job satisfaction. Recognition creates a positive work environment where employees feel valued and encouraged to continue performing at their best.

While recognition should occur immediately, the employee appraisal provides an opportunity to review the successes and contributions of your employees. This is a chance to highlight specific projects, tasks, or behaviors that showcase the employee's contribution and significance for your organization.

Celebrating these successes while providing constructive feedback on how an employee can build on these strengths provides a well-rounded evaluation of performance and growth. This balanced approach ensures that recognition is not just about past achievements, but also about future growth and development.

COMMON APPRAISAL ERRORS

Without proper planning and awareness of potential biases, performance appraisals can fall into pitfalls. These errors can distort the appraisal process, leading to inaccurate data and misconceptions about an employee's performance.

By going into the appraisal process well-prepared and aware of potential errors, managers can ensure the evaluations are fair, accurate, and reflect true performance. This will foster more trust and transparency in the appraisal process.

These common appraisal errors include:

Halo Effect

The halo effect occurs when an employee impresses their supervisor significantly in one area leading the supervisor to rate them higher in all areas of the evaluation.

Example: Baker is an employee who knows how to collaborate well with his team. His supervisor is so impressed with his teamwork ability that he rates Baker high in leadership skills though Baker has not led any projects.

This could lead to Baker receiving a promotion he is not ready for. An accurate evaluation would provide an opportunity to discuss whether he has a desire to lead and how to help him prepare for a promotion in the future.

Horns Effect

The horns effect is the opposite of the halo effect. This occurs when a supervisor is so concerned about performance in one area that they rate the employee lower in all areas.

Example: Mike has been struggling with getting to work on time recently. Despite the fact that he continues to exhibit high productivity, this tardiness leads his supervisor to rate him low across all performance metrics.

In this example, Mike's strong points are overlooked, and his manager has not taken time to dig into what is affecting his tardiness. This could lead to Mike feeling undervalued and unsupported, which could lead to further attendance issues and potential turnover.



Recency

The recency error occurs when the appraisal is completed based solely on the most recent performance rather than evaluating overall performance since the last appraisal period.

Example: Avery has been distracted and her performance has suffered over the last two weeks. Since her last appraisal she had high productivity until this recent period, but her manager conducts the appraisal using only the last two weeks.

In this example, Avery's value has gone unrecognized which could lead to her becoming less engaged and could eventually lead to losing a potentially valuable employee.

Leniency

Leniency occurs when managers are focused on being popular. The manager writes a positive appraisal so they won't have any friction with the employee.

Example: Travis is a popular employee, but he can sometimes be hard to work with. His manager is afraid to create an issue, so he rates Travis high in teamwork.

In this example, Travis is not given the opportunity to address behaviors that could hurt his growth in the future. He may also be placed in a position, based on the appraisal, that could harm the company's reputation.

Central Tendency Bias

The central tendency bias occurs when a manager ranks employees based on the midpoint to avoid extreme ratings.

Example: Dana is busy juggling many projects and she has to complete performance appraisals for her team. She doesn't feel like she has the time to justify any high or low scores, so she scores all her employees down the middle of the rating scale.

In this example, Dana has robbed herself of a valuable tool to help her make decisions when it comes to delegating tasks. There is no clear picture of which employees stand out and which employees may be struggling.

Similarity Bias

Similarity bias occurs when a manager rates employees higher who share similar characteristics, backgrounds, interests, or viewpoints as the manager.

Example: Kent really enjoys talking to Tom. They share similar interests and outlooks on life. Because of this, he gives Tom a high score on his performance appraisal despite Tom often missing deadlines.

In this example, Kent does not address an issue that could cause the company to lose business. This means Tom does not have a chance to learn skills that would help him stay on top of projects and it's harder for the company to determine where lags are occurring in their processes.

Contrast Effect

The contrast effect occurs when a manager compares the employee's performance against another employee instead of against set standards for the appraisal.

Example: Ryan has just completed C.J.'s evaluation and C.J. is one of his strongest employees. When he gets to Nick's appraisal, he unconsciously compares his performance against C.J.'s, leading him to rate Nick lower than he would have been rated based on the company's performance standards.

In this example, Nick is overlooked for his quality performance because he doesn't meet the same productivity level as C.J. This means Nick does not see recognition for accomplishments he has achieved and has no way of accurately gauging how he can improve his performance.

Appraisal errors negatively impact the accuracy and fairness of performance appraisals. Being aware of these errors and taking proactive steps to address them is essential for conducting effective appraisals that benefit both employees and your company.





BAD Appraisal Habits to Avoid

As remote work becomes more prevalent and daily workloads increase, some managers have defaulted to condensed performance appraisal processes or other bad habits that can make the appraisal ineffective and less informative for your leadership and your employees.

To provide real direction and foster employee development, it's crucial to avoid bad appraisal habits that hinder progress.

ANNUAL-ONLY PERFORMANCE APPRAISALS

Dealing with performance issues only once a year reduces the effectiveness of any feedback provided. Positive feedback comes too late to motivate further improvements. Any constructive feedback becomes disconnected and vague, which can lead to employees becoming defensive rather than willing to take action to make improvements.

When appraisals are completed yearly only, employees are caught by surprise by the feedback. This can make it difficult for employees to make needed connections, which can lead to conflict within teams and reduced employee morale.

Unfortunately, managers often blame the system for these issues rather than the disjointed feedback. Your managers need to understand the importance of regular feedback for them to promote positive change. Implementing monthly or quarterly performance reviews allows managers to keep up with the needs of employees and better align job performance with company needs.

SETTING UNCLEAR EXPECTATIONS

If supervisors are unclear about what effective performance looks like for a role, they will have difficulty communicating expectations during the appraisal. If employees are unclear about the expectations for their role, it is difficult for managers to provide meaningful feedback to help them meet objectives.

This leads to massive gaps between how employees and managers perceive performance expectations. Set clear guidelines with detailed job descriptions and Key Performance Indicators (KPIs). It is also a good practice to set defined deadlines to manage these expectations.

Managers should also encourage employees to share their thoughts on performance expectations. Including a self-appraisal component in the formal process allows employees to have their voices heard and their responses can reveal valuable information about how well the employee's perception aligns with your company objectives.

ABSENCE OF ACTIONABLE STEPS

An effective appraisal includes actionable steps for employees and managers to improve performance and morale. These actionable steps provide guidance on necessary resources and training for managers to implement, and performance improvement guidance for employees. Make sure these steps are challenging but obtainable. You want to provide opportunities for employees to grow, but you want to make sure they are able to achieve the goals set for them.

Employees should be aware that their quality of work and the effort they put forth will be evaluated and they should receive guidance on how these areas of performance will be measured. They should feel comfortable asking questions and seeking clarification on any feedback they receive.

Managers should keep detailed notes on employee performance throughout the year. They should document observations and feedback and review these notes before completing the appraisal to help identify any overlooked details and provide an accurate, balanced view of the employee's performance.

TICKING A COMPLIANCE BOX

Your managers are busy overseeing projects and making sure their departments run smoothly. The performance appraisal can be seen as an interruption during particularly busy seasons, leading to them rushing through the process. When this occurs, the appraisal loses all significance. Rushing through the review leaves no time to provide meaningful feedback or set accurate goals that drive effective performance.

When managers view the appraisal as ticking a box, employees are left with no guidance which can lead them to disengage or lose focus. This is a waste of time for everyone as managers get no real insight and employees have nothing substantial to act upon.

Performance appraisals should be personalized for each employee. Managers need to take time to review performance and provide specific feedback.

POLITICAL APPRAISALS

The political appraisal is an appraisal managers use as a tool to manipulate the system in favor of their team. They may complete the appraisal to maneuver for salary increases, promotions, or other benefits for them or their team. They may even use the appraisal to remove an unpopular employee.

Results of these types of appraisals do not give an accurate view of the team's performance. This undermines the appraisal process, making it difficult to make accurate organizational decisions or changes. A political appraisal can also cause legal difficulties. Employees who scored unfavorably may use this to sue your company or an employee who needs to be terminated could use false positive appraisals against you.

Appraisals should give an accurate view of performance across the board. Managers should make note of good performance, but they should also address any issues or concerns. If appraisals from one department seem overly positive, ask questions, and make sure you have accurate data that can be used to ensure all teams are working effectively.

GENERALIZED APPRAISALS

The details provided in the appraisal are what drive real change and growth. Generalized appraisals avoid these important details. There are no specific examples and the feedback has nothing of value to offer.

This type of appraisal provides nothing to guide improved performance. Employees have no clear understanding of where they excelled or where they need improvement. This lack of clarity can lead to defensiveness and disengagement.

Appraisals should provide specific examples of employee strengths and opportunities for improvement. They should have clear steps on how to meet expectations. The appraisal should offer actionable goals for employees to grow. These examples and goals should be personalized to the individual.

ONE-SIDED APPRAISALS

Effective performance requires leaders to listen to their employees, Listening helps you better understand the employee, which gives insight into how you can help them improve performance. A one-sided appraisal ignores employee feedback and acts more as a defense for the manager's review than a discussion about improvement opportunities.

There is no clear direction with this approach, and it tends to cause more frustration on the employee's side rather than improved performance. This approach leads to disengagement, escalated defensiveness, and a lack of openness to further feedback. One-sided appraisals also close opportunities for providing valuable resources and training that could optimize company performance.

The appraisal should be a two-way conversation where employees are able to discuss the feedback they receive, seek clarification, and provide their own feedback to facilitate performance improvement. Managers should work with employees to find root causes of any concerns or issues to find solutions.

RECALL, RATING PROCESS, & OBSERVATION ERRORS

The appraisal process requires thorough documentation through the year, an understanding of performance metrics, and a clear understanding of how to use the appraisal rating system. Inadequate processes, lack of training, and misuse of the appraisal tools lead managers into errors of recall, rating, and observation.

Managers who do not maintain adequate documentation may find themselves unable to recall key details that are necessary for the appraisal. Others don't understand or don't follow the appraisal process, leading to inconsistencies.

Make sure you have clear policies in place for conducting appraisals and provide proper training on the processes and tools involved. Ensure managers know how to gather and interpret the data to provide insights that lead to real improvement.

POPULARITY SEEKING

Leaders should be liked, respected, and be able to provide constructive feedback if they want their team to be effective. Managers who seek popularity are more concerned about being liked than about helping employees improve. They are reluctant to provide constructive feedback and they avoid confronting performance issues and concerns, focusing rather on praising employees.

This behavior can lead to false scores and an unrealistic view of employee performance. This lapse can skew your data, making it difficult to make informed decisions regarding changes needed. It also leads to increased performance gaps as concerns are not addressed.

Make sure appraisals provide honest, constructive feedback that provides goals that will help employees grow and succeed in your company. Give them a clear path that, if followed, will showcase their potential.

LACK OF FOLLOW-UP

Reviewing employee performance doesn't end with the formal appraisal. For real results, managers need to follow-up with employees between appraisal periods. They need to review data and ask for progress reports, providing further guidance to help employees meet their goals or adjust when necessary.

Failure to follow-up with employees can make the process seem pointless. Employees have no real motivation to set plans in action and managers have limited ability to affect change when follow-up does not occur.

Schedule follow-up meetings during the appraisal and set objectives for these meetings that will help evaluate progress and provide needed support.



By avoiding these bad appraisal habits, managers can make the performance appraisal process more effective and informative. This helps provide clear direction for employees, fosters employee development, and enhances overall company performance.

APPRAISAL PLANNING:

What to Do to Get Ready

When preparing for the formal performance appraisal, review all the pertinent information before sitting down with the employee.

This review should include:

- *Reviewing all feedback, notes, and documentation completed since the last appraisal*
- *Reviewing previous appraisals*
- *Analyzing previously set goals and desired behaviors you have addressed*
- *Looking at performance metrics for the entire period since the last appraisal*
- *Ensuring a clear understanding of the appraisal tools and processes*

Keep a record of all pertinent information that will help you structure feedback and provide new or updated goals.

Prepare for Employee Questions

Before you sit down with employees to review the appraisal, make sure you can answer the following employee questions:

- What areas of my performance can I improve?
- What are my chances of advancement in the company and how can I take advantage of these opportunities?
- What expectations should I meet before the next review?
- How will you evaluate my progress during this time?
- What support, attention, or other resources can I expect to receive from you as I work on meeting these expectations?

As you are preparing for the appraisal, ask employees to complete a self-evaluation. Have them objectively consider how they have performed since the last appraisal. It is best to conduct your appraisal before reviewing the employee self-evaluation to avoid any biases. Compare the evaluations and make notes of any discrepancies to help guide discussions.

CONDUCTING THE

Appraisal Meeting

During the performance appraisal meeting, make sure employees are comfortable and receptive to the feedback and suggestions provided. There are several steps you can take to foster a productive meeting.

Provide a Private Setting

Employees will be more receptive if they know the discussion will not be overheard by coworkers. Conduct the appraisal meeting in a comfortable setting that can be kept private. If you are conducting a meeting by phone or online, make sure no one will be able to interrupt or overhear the conversation.

Set the Employee at Ease

Begin by stating the purpose of the meeting and encourage the employee to participate in the conversation. Provide positive points up front so they understand it is not a negative meeting.

Avoid Small Talk

Your employees are busy just as your managers are. While you want everyone to be at ease, you don't want to take up too much time. Transition to the point as quickly as possible so you let them get back to work as quickly as possible.

Review Self-Appraisals

To best guide employees, you need to understand their personal view of their performance. Review their self-appraisal with them, seeking clarification on their perceptions and any discrepancies between appraisals. Give them a chance to ask questions and discuss your scores as well.

Review Past Appraisals

Part of the appraisal process is reviewing goals and plans established in previous appraisals. Discuss what has been accomplished and how to motivate further progress.

Discuss Ratings

Discuss the feedback you provide during the appraisal. Look for verbal and nonverbal cues to help you determine how much detail to provide.

Recognize Achievements

The appraisal isn't just about performance concerns. Come to the meeting with some positive feedback based on the employee's performance since the last appraisal. Recognize specific achievements and let employees know they are valued.

Identify Opportunities

As you review performance, identify areas where employees struggle or where their performance could be improved. Consider underlying issues and discuss opportunities for improvement with employees. Ask for their feedback and suggestions so you can build a plan together.

Agree on an Action Plan

Work with employees to create an action plan everyone can agree on. Agree on specific improvement actions and a time frame to accomplish these actions. Write out and create a copy of this plan for yourself and the employee.

Identify How to Help

Employees will have more success meeting goals if you are involved in the process. Look for ways you can help them make needed changes.

Discuss Growth Opportunities

The appraisal is a good time to discuss employee growth opportunities in your company. Discuss their career goals and how they can achieve these goals. This includes any needed skills or experience for new opportunities.



Throughout the performance appraisal, ensure employees understand all the feedback provided and allow them to share their questions and concerns. Ensure employees feel supported as they work towards meeting updated and new goals.

PERFORMANCE APPRAISAL Best Practices

Following appraisal best practices will help improve the performance appraisal process and eliminate bad appraisal habits. These guidelines will help you make the appraisal more meaningful for everyone.

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CLEARLY DEFINE EXPECTATIONS

Set clearly defined expectations at the beginning of the appraisal. These expectations can be laid out based on two strategy options:

- Establish predefined performance indicators or work requirements for a role and compare employee performance against these criteria.
- Establish measurable goals with the employee and review progress towards these goals.

When defining expectations, this should include:

- Define and communicate performance standards, goals, and expectations before beginning the appraisal.
- Communicate how goals and desired behaviors align with business objectives. Show employees how their performance impacts company strategies and customers.
- Make sure goals and objectives are SMART (Specific, Measurable, Achievable, Results-Oriented, and Time-Bound).
- Clarify how individual teams add value for the company and your customers.
- Define how team success will be measured and how individual employees success will be measured.
- Communicate how you will support and reinforce performance improvement objectives.
- Provide accurate job descriptions that define the purpose of the job, responsibilities, and duties.
- Share the tools being used to evaluate performance so employees fully understand how they will be appraised.

To help employees succeed, you should have set missions and objectives for your company, teams, and individuals. This provides a common vision and helps set expectations for performance.

- Define company objectives annually that align with your business strategy.
- Develop objectives for each team that align with company objectives and department functions.
- Work with employees to set individual objectives based on their role that align with team goals.
- Involve employees in decisions that will affect them.
- Ensure employees have access to the resources, tools, and training they need to complete their work efficiently.

Open communication throughout the year allows you to better understand your employees' performance, needs, and concerns. This will also help make the appraisal process easier as there are fewer surprises.

- Communicate clearly about what you want/need from others.
- Let employees know how they are doing throughout the year.
- Be specific, providing details, when giving feedback.
- Praise and reward employees for outstanding performance when it occurs.
- Provide feedback as events occur, not just at appraisal time.
- Ask questions and actively listen when communicating to ensure you understand the other person.
- Keep notes on employee behavior throughout the year.
- Hold regular weekly or monthly discussions with employees to keep up with their progress.
- Be consistent and fair with your communications.



MAKING THE MOST OF PERFORMANCE APPRAISALS

It is everyone's responsibility to ensure that appraisals meet the needs of your company and your employees. Appraisals should drive effective performance across departments by providing accurate feedback for employees and leadership.

If you are unsure about the effectiveness of your current appraisal process or need help developing a method that accurately evaluates employee performance, contact HR Service, Inc. to learn more about the resources available to get the most out of your employees' performance.

Call: 833-685-8400 x2

Email: solutions@hrserviceinc.com

Website: www.hrserviceinc.com

