Performance Management Principles

Appraisal Skills

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Preface

This eBook will provide you with a firm understanding of the principles behind performance management as well as practical advice for completing each stage of the appraisal process.

You will learn how to:

- Incorporate the four drivers of employee engagement that are needed to support a successful performance management system.
- Use the OSCAR principles to help you maximize commitment and encourage your team to achieve goals and develop their competencies.
- Be totally objective and avoid the eight most common causes of bias when making judgments about individual performance.
- Develop a holistic performance management that can bring you significant productivity gains with a modest investment in time.
- Collect the data you need for productive, stress-free and motivational appraisal meetings.

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Introduction

One of the most important aspects of management is that of monitoring and improving performance. Many managers never receive any formal training in this critical area and are left to interpret things on their own or base their behavior on what their own annual appraisals have shown them.

Even if your organization provides a manual describing the appraisal process it is unlikely to explain fundamental principles behind performance management. This often leaves managers feeling they have little support and guidance in this crucial area.

The 'Performance Management' set of eBooks is designed to provide you with a firm understanding of the principles behind performance management as well as provide practical advice for each stage of the process.

Principles of Performance Management

form basis of the Appraisal Cycle
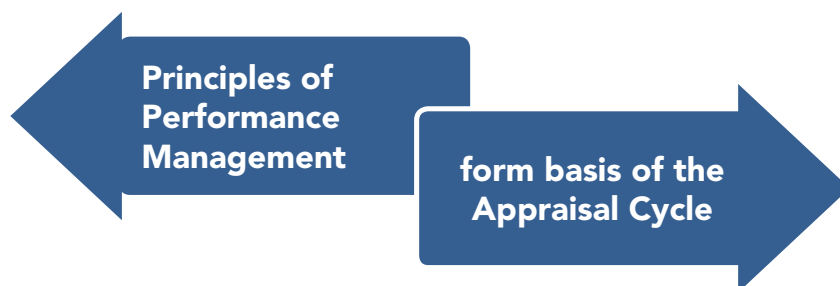
You then need to adapt these performance management principles to suit the culture of your organization and its own appraisal process.

This cyclical appraisal process is usually conducted on an annual basis and is a vital aspect of managing your organization's overall performance. Your responsibility as a manager is to ensure that the annual appraisals you conduct are effective and have a positive impact on your team's performance.

KEY POINTS

✔ Many managers never receive any formal training in the appraisal process.

✔ An understanding of the principles behind performance management can help to make up for this lack of formal training.

Principles of Performance Management

A well-designed and effective appraisal process has two important functions. Firstly, it forms a clear basis for the ongoing relationship between a team member and their manager. Secondly, it creates an effective performance management system that clarifies the relationship between the individual and the organization.

Functions of Performance Management

1. Create ongoing relationship between individual & manager

2. Clarifies the relationship between an individual and the organization
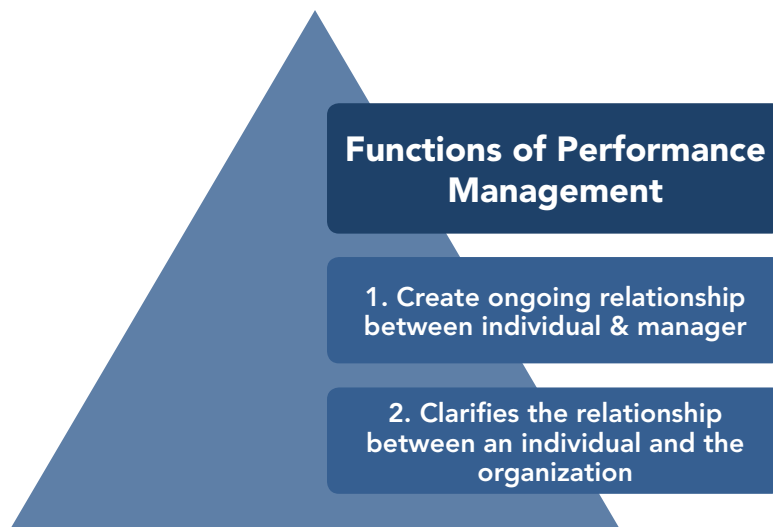
This second function is frequently neglected or poorly defined even though it is equally important. By clearly showing a team member how their role contributes to the success of the department, division, and therefore the organization as a whole increases the degree to which that individual will 'engage' with the goals of the organization.

This level of engagement is something that changes over time depending on how well the day-to-day activities of the department are progressing and the degree of empathy there is between the personalities of the employee and the manager. Understanding how your own personality and role as a manager can influence the performance of others is vital to your success in getting the best performance from those who report to you.

This correlation between high levels of performance and employee 'engagement' was the subject of the MacLeod Report, which was commissioned by the UK government in 2009. This report, by David MacLeod and Nita Clarke, took an in-depth look at employee engagement and its potential performance benefits for both organizations and employees.

The MacLeod Report pointed to a number of studies that demonstrate that high levels of engagement lead to better financial performance in the private sector and better outcomes in the public sector.

The report identified the four main drivers of employee engagement as:

1. Leadership that ensures a strong, transparent, and explicit organizational culture that gives employees a line of sight between their job and the vision and aims of the organization.

2. Engaging managers who offer clarity, show appreciation of employees' effort and contribution, treat their people as individuals, and ensure that work is organized efficiently and effectively so that employees feel they are valued, and equipped and supported to do their job.

3. Employees feeling they are able to voice their ideas and be listened to, both about how they do their job and in decision making in their own department, with sharing of problems and challenges and a commitment to arrive at joint solutions.

4. Employees believing that the organization is fully committed to the values that it promotes, and that behavior throughout the organization is consistent with these stated values. This leads to trust and integrity, whereas any gap between these creates distrust and cynicism.

You can activate each of these drivers through the appraisal process by making sure that your own behavior supports them wherever possible.

KEY POINTS

✔   An effective performance management system strives to increase the level of engagement between the individual and the organization.

✔   The Macleod report identified four drivers of engagement that are needed to support a successful performance management system.

Maximize Engagement Using the OSCAR Principles

As a manager there are certain things you can do within the appraisal process to help you maximize engagement and encourage your team to attain high levels of performance:

- Be objective and fair in how you assess your staff at all times, regardless of your personal feelings.

- Set your staff SMART goals that will develop each person to their maximum potential.

- When observing your staff, assess them on the competencies they display according to the responsibilities of their role.

- Assess individuals based on the role and tasks as outlined in their job description.

- When you review an individual you should also assess their performance based on the role's contribution to the organization. It is vital that you check that the person has a clear understanding of how their input contributes to the organization's success.

You can use the mnemonic OSCAR to help you to remember these behaviors and incorporate them into the appraisal process.

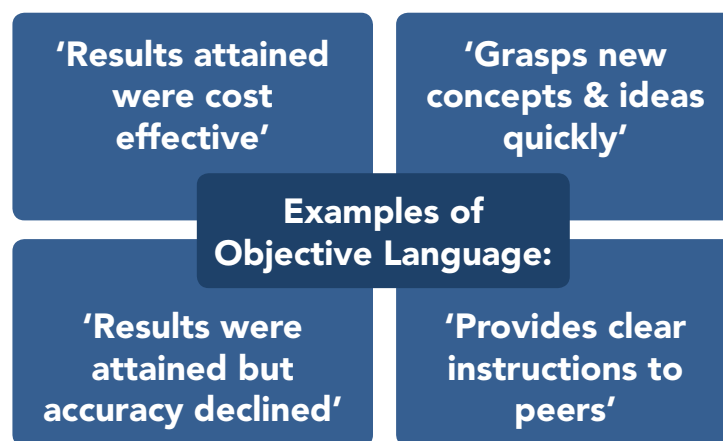|	
O	• Objective & fair at all times
S	• SMART goals that develop person's potential
C	• Competencies seen match the role's responsibilities
A	• Assess person based on the role requirements
R	• Review based on role's contribution to organization

Always be Objective

Without a formal appraisal process in place, your relationship with a team member will tend to be subjective and based on 'how well things are going' at any particular time because people tend to place more emphasis on things that have happened recently, rather than over the past twelve months or so. In addition, even the most fair-minded person is biased towards people that they have a lot in common with. By being objective in all your dealings, regardless of your personal feelings, you will avoid the common pitfalls of 'favoritism' and a 'recency focus.'

You should act as a mediator between your team member and your organization by providing the individual with a clear definition of their role, what actions they are required to perform, and how that function fits into the overall success of the organization.

In order to do this effectively, you must be seen to be completely objective in how you manage each individual's performance. Objective language is most effective when it has a direct correlation with the duties and tasks for which the employee is responsible. Performance should always be measured in relation to pre-existing standards as defined in the job description.

'Results attained were cost effective'	'Grasps new concepts & ideas quickly'
Examples of Objective Language:	
'Results were attained but accuracy declined'	'Provides clear instructions to peers'

One way to ensure that you are perceived as 'objective' is by using impartial language in all communications so that it is interpreted in the same way by most people. You want to avoid using subjective language as this reflects your personal opinion and is open to interpretation, meaning that information may be misinterpreted or show bias.

Industrial psychologists list the following as the most common causes of bias:

Common Causes of Bias	Central tendency	Saint or sinner?
Similar to me	Attibution basis	Stereotyping
Negative bias	Positive leniency	Recency or Contrast effect
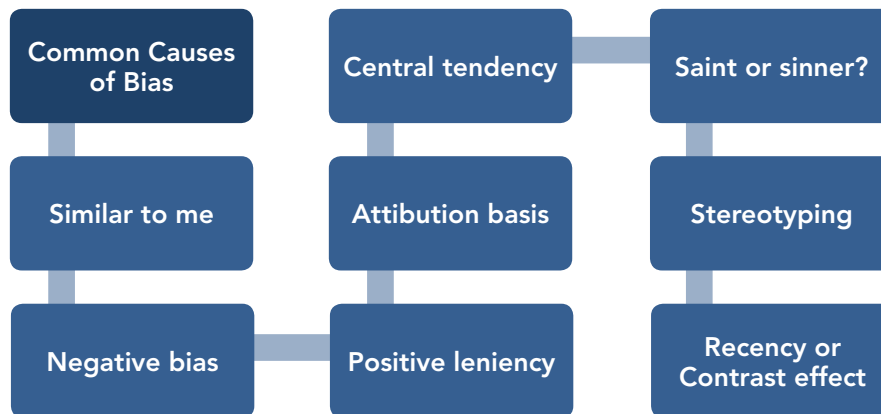
Similar to me—this is the tendency for you to rate people higher if they are similar to you, or to rate them lower if they are different. This similarity/difference could involve obvious factors such as gender or ethnicity. It can also be in things that are harder to measure, such as personality.

> *Ask yourself—are you likely to give a higher rating to someone who shares your approach to resolving conflict, even though other approaches may be equally valid?*

Positive leniency—this involves you rating people higher than they deserve in the belief that by giving a higher rating you are motivating the person more. Be careful, as this approach can serve to undermine the whole appraisal process, particularly when co-workers become aware that unduly high grades have been given to someone else. Any potential gain in motivation undermines overall morale.

> *Ask yourself—have you ever been tempted to give one of your team a higher rating because you feel they always work hard even if they do not attain the same quality of works as others?*

Negative bias—this means that you are reluctant to assign a high rating for an individual's performance, even when this is well deserved. This approach shows a reluctance to give credit where it is due and is often due to an underlying attribution bias.

> *Ask yourself—do you find yourself reluctant to award scores higher than 8 out of 10 because you feel no one performs near perfection?*

Attribution basis—this involves ascribing poor performance to factors within the control of the individual whilst ascribing good performance to external factors. For example, if a salesman is successful it is because 'our organization has the best products' where as if he's not successful it is because 'he is lazy or lacks tenacity.'

Ask yourself—do you only take into consideration the factors within your own environment when judging your staff's performance levels, ignoring and not appreciating other pertinent external factors?

Central tendency—is where you find yourself continually placing your team members towards the middle of the scale and avoiding high or low ratings. This may be because you feel you have collected insufficient data during the appraisal process to truly assess a person.

Ask yourself—even though you know an individual has performed extremely well over the year have you found yourself in the situation where you do not have adequate data to back up your desire to award a high performance, so you give them an average rating as this will not be questioned?

Saint or Sinner—do you find yourself being overly influenced by a single favorable or unfavorable trait that colors your judgment of an individual? You may feel all those on your customer support team must be good communicators and those who do not meet your standards are rated poorly, even though the statistics show they resolve calls as well as others because of their technical skill.

Ask yourself—have you ever judged a person harshly because you have combined attributes to rate performance rather than reviewing them separately according to the job description and responsibilities?

Stereotyping—this occurs where you find yourself making generalizations across a group and not recognizing individual differences. For example, people sometimes make assumptions such as 'All salespeople should be extroverts' and rate a person negatively when they fail to display this behavior, regardless of their successful track record.

Ask yourself—do you find yourself judging your team members based on a stereotype?

Recency effect—is where you place undue emphasis on recent events rather than taking into account an individual's performance over the whole of the appraisal period.

Ask yourself—have you judged an individual to be a poor performer because they just made a mistake that caused problems, discounting the fact that they have been one of your most effective team members during the year or project?

Contrast effect—do you make comparisons by evaluating an employee relative to the last person you evaluated? You may find that you have given several bad ratings and then feel that you should give several good ratings in order to balance things out, even though there is no logical reason to do so.

Ask yourself—when you are assessing your team's performance do you find yourself wanting to portray the team as having a set of balanced ratings so half way through your appraisals alter your judgment of individuals to present this balanced picture?

Once you are aware of the most common errors in rating people you can determine which ones you are most guilty of and make a conscious effort to eradicate or avoid them.

Another important factor you need to take into account when judging others' performance is the 'ethos' of your organization. You may find, for example, that within your organization rating inflation often occurs. This can be the result of a lack of sanctions for inaccurate appraisals as well as the tacit encouragement of higher ratings.

Set SMART Goals

Your role as a manager is concerned with how a particular business function is delivered and how its performance contributes to the overall success of the organization. To achieve this you should set your team members SMART goals that provide clear objectives.

SMART goals are ones that are Specific, Measurable, Attainable, Relevant, and Time bound. Once set, the goals must then be monitored and feedback given to the individual to ensure that the goals are attained.
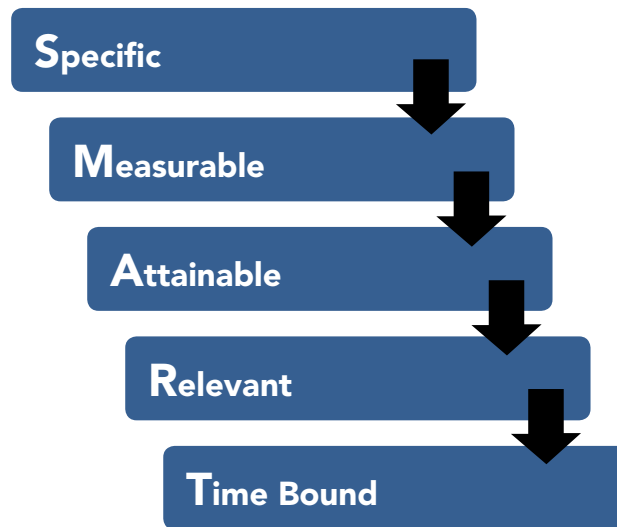
This second principle of OSCAR performance management will ensure that both you and your staff know exactly what is required of them. This means you need to ask exacting questions to tease out the precise requirements:

- **What** do I want the individual to accomplish?
- **Why** is this task necessary and how does it contribute to the team's success?
- **Who** is involved in its attainment and what control do I have over this?
- **Where** will this task actually be delivered?
- **Which** items or resources are needed to attain the goal and am I aware of any constraints?

The second characteristic of SMART goals, 'Measurable,' is extremely important for your appraisal process because you need valid and objective data to show how well a person has performed. If you can't measure how well someone is progressing, how can you comment on their performance?

You should ensure that these measurements are regularly reported on and openly acknowledged by both the individual and you as their manager. Through this openness, everyone involved is made aware of whether or not the performance meets expectations.

This ongoing measurement also clearly illustrates how attainable the goal is proving to be for the individual. There is little point in setting a goal that is either too difficult to

achieve or beyond a person's capabilities, as this will only serve to de-motivate them and destroy their self-confidence.

Also, the goal must be relevant to the function of the person, team, and department in how they contribute to the organization's overall success. This means that when you set the overall team objectives you need to cascade these down to individual team members according to their role and responsibilities.

To learn more about setting goals for your team please see our eBook 'Effective Goal Setting' which can be downloaded from **www.free-management-ebooks.com**.

Competencies to Match Responsibilities

This is an important aspect of performance management that is often overlooked. Attainment of goals and good performance should not be judged solely on whether or not the objective was attained within its set time. As a manager you must also assess a person's performance on the behaviors they exhibited and how closely these match those expected of the role.

As part of your information gathering, you need to include and note your observations of the competencies an individual displays. 'Competencies' can be defined as the way in which a team member works towards their objectives. Does the member's behavior match the responsibilities of their role?

Does the team member exhibit competencies that are more akin to their superiors? If this is the case should you be acknowledging this in their appraisal meeting and setting them goals more appropriate to their level of competency? These are the sorts of observations you can discuss with the individual throughout the year.

When you set an individual's goals you can also specify the degree of competency you expect that person to attain. The responsibilities that have been assigned to this individual's role indicate what the organization expects of them and their behavior.

You will need to decide the relative weight given to each objective and the competencies that are expected. You will also need to ascertain how much emphasis your organization places on results and how much it places on encouraging the competencies or behaviors that will lead to higher performance.

Using each role's responsibilities as outlined in the job specification you can define and communicate the role's competencies to the individual so that they know the aggregate behaviors they need to display in order to perform their job to a high level.

This illustrates to each member that the way in which they achieve their objectives is as important as the end result.

For example:

> *Just because a sales person achieves their sales target does not mean they are a high performer. The behaviors they displayed in attaining this target may have been:*
>
> • *To focus only on this sale and not future potential business, which is contrary to organizational objective.*
>
> • *To have poorly communicated the client's needs internally, resulting in wasted effort during implementation and a low level of customer satisfaction.*

Typically, competencies will have various levels, each of which is defined and illustrated by the expected behaviors written as part of the role's responsibilities. Larger organizations may develop a competency framework that defines the whole range of competencies. Some are defined as 'core,' applying to all employees, whilst others, such as leadership, may only be appropriate to managers.

All organizations are different and will need to develop the particular competencies that suit them. Some of the competencies found in competency frameworks include:

- Communicating Effectively
- Planning and Organizing
- Leadership
- Teamwork

- Creativity
- Focus on Goals
- Embracing Change

For a more complete description of competencies please see our eBook 'Understanding Competencies,' which can be downloaded from **www.free-management-ebooks.com**.

As part of the appraisal process you will need to agree appropriate competencies with each member of your team. Each competency is then assessed against the framework according to the behaviors they demonstrate whilst performing the role. A well-designed framework will help with a wide range of human resource activities. These may include performance management, learning, development and career planning, as well as recruitment and selection.

Assess Performance against Role Description

An essential part of being able to measure performance is being able to compare what has actually occurred with a predetermined standard. The standard you need to compare against will be set out in each individual's job description.
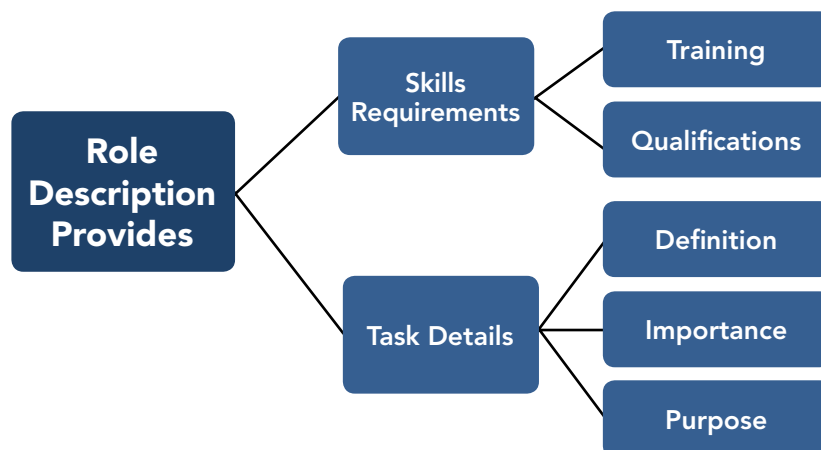
This standard will include details of training and qualifications that are necessary to perform the job. The role description will also clearly identify the specific tasks that the individual is expected to perform. As a manager you need to ensure that the tasks detailed in the description also reflect the importance of their performance to the organization's overall goal.

Review Based on Contribution to the Organization

The final principle you need to incorporate into your performance management and appraisal process is that of judging an individual's performance based on their role's contribution to the organization.

In your pivotal role in the relationship between the employee and the organization your performance management system should specify:

- What the business is trying to achieve
- The individual's role in helping the business achieve its goals
- The skills and competences the individual needs to fulfill their role
- The standards of performance required as described in their job description.
- How the individual can develop their performance and contribute to the development of the organization.

The process of ensuring your performance management is effective begins with a shared understanding of what your organization is trying to achieve. This means communicating the organization's mission in such a way that your team members can relate it to their roles.

You need to interpret the organizational targets so that they can be communicated in a way that relates to the contribution each division, department, team, and individual makes towards achieving them.

As these targets are subject to external forces they are continually being amended to suit the 'new' environment. This is why it is important that your cycle of appraisals is conducted annually (at a minimum) so that the organization maximizes the utilization of every employee's skills, knowledge, and interests, whilst motivating and engaging them in their work.

As part of the appraisal process it is vital that you check that each team member has a clear understanding of how their input contributes to the organization's success. The most effective performance appraisal programs are those that are beneficial to managers, employees, and the organization as a whole.

KEY POINTS

✔ Be objective and fair in how you assess your staff at all times, regardless of your personal feelings.

✔ Set your staff SMART goals that will develop each person to their maximum potential.

✔ When observing your staff, assess them on the competencies they display according to the responsibilities of their role.

✔ When you review an individual you should also assess their performance based on the role's contribution to the organization.

✔ Check that the individual has a clear understanding of how their input contributes to the organization's success.

The Appraisal Process

Assessing performance is a continuous cycle comprising several discrete steps. The adoption of the OSCAR performance management principles described earlier will enable you to work through this process in an efficient and structured way. It will also ensure that the expectations you have of your team members match the expectations that each individual has of themselves.

Most organizations have annual appraisals as this fits in with other annual cycles like budgeting and planning. As part of this process you need to schedule regular reviews throughout the year to suit the needs of your team or department.

> *For some teams, such as customer support teams, these reviews may be more appropriate on a monthly basis, as this matches the cycle of assignments, updates, information, and feedback on their work.*
>
> *Other teams, such as a project development team, may require greater flexibility in the timing of reviews. For instance, reviews may need to become more frequent during critical periods of the project.*

Whatever type of team you are responsible for you should integrate these regular communications into your performance management process, rather than seeing them as separate from it.

You should assign top priority to your team's appraisals and avoid the temptation to postpone these meetings at times when you have a heavy workload or looming deadlines. Many employees see the appraisal meeting as an important event in which their manager recognizes their achievements in a formal way that becomes a documented part of their personnel record.

If the performance appraisal system is linked to the award of pay rises or bonuses then any postponement of these appraisal meetings risks being interpreted as an attempt to avoid remunerating them fairly for their work.

Benefits of the appraisal process for you as a manager:

Increasing the effectiveness of each team member

Establishing a basis for remuneration

Identify training needs & gaining commitment to them

Communicating organizational values

Understanding organizational goals

Improving decision making

Providing evidence for and protecting against legal issues

You need to appreciate that the benefits you can gain from conducting an effective appraisal process to monitor your team's performance more than make up for the time invested. The benefits you gain will help you to:

- Increase the individual effectiveness of your team members.
- Transmit the organization's values to your staff.
- Understand and meet organizational goals.
- Improve your decision-making.

- Identify training needs and gain commitment to them.

- Establish a basis for remuneration.

- Protect you from legal problems.

In order to fully appreciate these benefits the appraisal process must also be reliable and valid. The process should yield consistent data regardless of who does the appraising or when they do it—its validity is evident in the direct correlation between the factors being measured and the critical elements of the job.

KEY POINTS

✔ Assessing performance is a continuous cycle comprising several discrete steps.

✔ Most organizations have annual appraisals as this fits in with other annual cycles like budgeting and planning.

✔ Assign top priority to your team's appraisals and avoid the temptation to postpone these meetings for any reason.

✔ The benefits you can gain from conducting an effective appraisal process more than make up for the time invested.

Stages of the Appraisal Process

To attain these benefits you should follow the type of appraisal process outlined below. This gives you broad guidelines to aid you through this annual cycle.
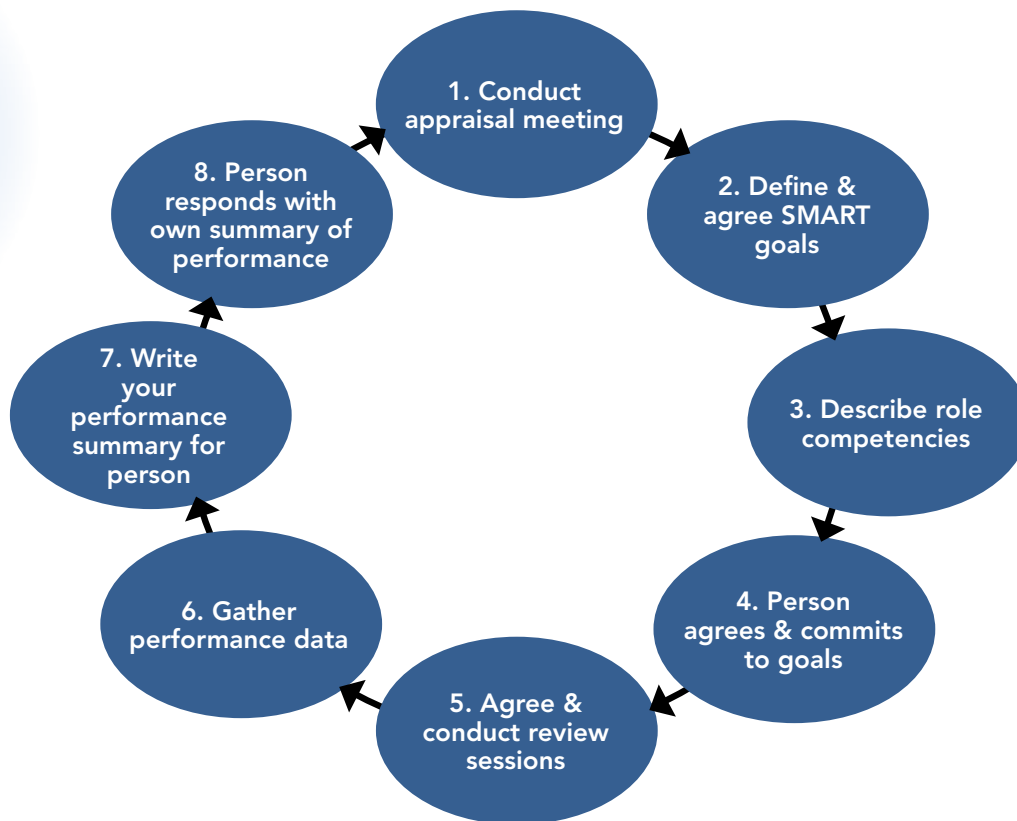
You may need to adapt the stages somewhat to suit the culture and ethos of your organization. This process is continuous and you can join it at any stage, which you may need to do if you take on a new role or join another organization. You may join halfway through an appraisal cycle or you may take on a team that has never had a formal appraisal before. If the latter is the case then you will need to define and agree SMART goals before you can begin.

Stage 1—Conduct appraisal meeting

In selecting this activity as the first stage of the appraisal cycle it is assumed that each individual whose performance you are appraising has committed to the goals specified on the appraisal form. It also assumes that you have all the performance data necessary to make an objective decision on how well these goals have been met.

There are several tasks to perform prior to and during the actual meeting. You need to ensure that predetermined standards have been defined using the job description. The job description identifies the essential functions of, plus qualifications for, the job, provides a means to measure performance, and clarifies what your team members are expected to accomplish.

You need to create a secure environment during your appraisals that allows for full and open discussions to take place between you and the individual concerned. By developing this degree of trust you will engage the individual, who will accept the written summary of their performance as an accurate and true record of what took place. Finally, you will also receive the person's agreement of their new performance targets.

If you require more detailed information on this aspect of the appraisal cycle then you should visit our website **www.free-management-ebooks.com** and download our free eBook, 'The Appraisal Meeting.'

Stage 2—Define & agree SMART goals

As part of your preparation for the appraisal meeting you will need to produce a first draft of individual goals for each team member. This may be the first thing you do if your team is new to the appraisals process.

Whatever goals you set your team members you should make sure that they are SMART goals that relate to how the individual contributes to the success of the organization. The goals you set and the measures that relate to them should be based on criteria that are directly related to the primary duties and level of responsibility that is appropriate.

Each of these goals needs to clearly state what is required, be easily measured, be a task that is attainable not impossible, be relevant to the individual's role, and have a defined timeframe for the goal to be achieved by. A key aspect of defining each goal is to assess and schedule any training that may be required to attain it.

If you require more detailed information on this aspect of the appraisal cycle then you should visit our website **www.free-management-ebooks.com** and download our free eBook, 'Setting Effective Goals.'

Stage 3—Describe role competencies

Within your team you will find that the ways in which people set about achieving their goals are as diverse as the individuals themselves. As part of the appraisal cycle you must ensure that each team member exhibits the 'appropriate competencies' that are described in the role specification and description.

The way you assess an individual's competencies is based on the behaviors they display whilst performing their role and how these relate to those expected and defined in the role description. It is essential that you communicate what is expected of the individual in their role and outline how they will be measured in this area.

During each appraisal you can explain that you will assess and measure the person's behaviors by subdividing them into Knowledge, Skills, and Attitudes (KSAs). These three separate components together make up a particular behavior and individually are easier to measure than the behavior itself. For example, knowledge can be measured in terms of what someone has learnt. This can be through formal courses and qualifications or by performing the role.
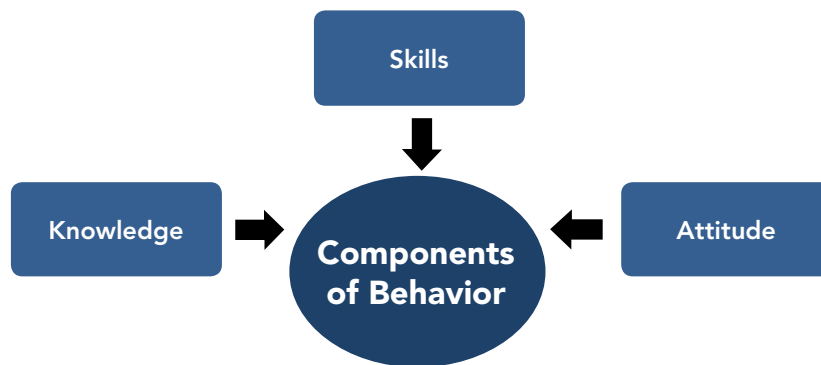
A person's skill can be assessed by how well they perform a task compared to the role description. You will have to judge this component in the light of your organization's culture.

The final measure is that of an individual's attitude toward their role or task. This is especially important because attitude affects how that person interacts with others, and how they, and by extension the organization, are perceived. For example, you will find that many of your customers are more tolerant if they feel that their problem has been truly appreciated even if it cannot easily be resolved.

This is a complex area and you can read more about this aspect of the appraisal cycle in our free eBook, 'Understanding Competencies,' which you can download from our website **www.free-management-ebooks.com**.

Stage 4—Person agrees & commits to goals

Once you and your team member have agreed both the goals and the competencies they need to display, you need to finalize exactly what you want this person to accomplish before their next appraisal meeting.

The meeting also gives you the opportunity to explain the type of reporting you expect to receive from them so that performance progress can be monitored and assessed. The frequency of this reporting will vary according to the nature of the team—for example, a monthly sales report from a sales person or a weekly incident report from a technical support team member.

You should engage the individual in an open and honest discussion about the exact wording and measures they will be judged on. At the end of these discussions you should both agree on exactly what the goals are for the coming year. You should always be willing to negotiate and compromise your first draft of their goals if you want to gain their full commitment.

Stage 5—Agree & conduct review sessions

You should agree the frequency of the review sessions you wish to have with the individual throughout the year. This offers you the opportunity to remind the person of what you expect to be achieved and by when in order to keep them on track. These review sessions also enable you to update or amend goals if external factors change sufficiently to cause the original goal to be no longer attainable.

You can use these regular reviews to monitor progress and give constructive feedback on how well the team member is performing. At these meetings you can discuss the reported data highlighting any issues or problems that have come to light and how these might affect the team member's goals.

You can also use these meetings to bring attention to significant incidents that the individual has played a role in. Discuss with them how they felt about the situation and ask them to reflect on what they might do differently if faced with the same situation again.

These sessions provide you with an ideal opportunity to keep each of your team members on target and show your support and recognition of their efforts and commitment. You can also offer guidance to anyone falling behind or when you see someone struggling. These sessions should prevent either you or the individual from having any unpleasant surprises when the formal appraisal meeting comes around.

Stage 6—Gather performance data

Within this process you have already (as part of Stage 4) defined and gained agreement for the type of reporting you require the individual to send you, but this should not be your only source of performance data.

For example, even though a marketing executive will report on progress against the marketing project plan, you should also take steps to record details of any significant incidents that have occurred that are not formally documented. Perhaps poor handling of a journalist's call into the organization has resulted in some negative press appearing and as the manager you need to understand what happened and why. In this example it could be that the call from the press was forwarded to the marketing team but not to those in your team trained to deal with the press. So the journalist was able to ask what appeared to be innocent questions in order to get the detail that they then turned into negative press. The fault in this instance lies in the process for handling this type of call rather than in the way any individual team member behaved. It suggests that additional training for everyone involved is required.

In a similar way you should always be on the look out for instances of 'exceptional or desired' behavior that you see displayed by your team as they go about their daily routine. This can be formally observed in a team or department meeting, or it can be seen informally by observing how a person resolved an issue in their day-to-day work.

You also need to adopt the habit of regularly recording this type of data both from within your team and as a result of external interactions. The types of data you are able to collect will vary according to the roles your team are responsible for.

Stage 7—Write your performance summary for person

Each organization has their own style of form but usually there is a section provided for you as the manager to write your formal assessment of an individual's performance over the period against their goals.

The majority of forms you are likely to use will have three areas for feedback:

1. **Manager Feedback**—this is where you as manager present your assessment of the person's performance against their goals for the year or period assigned to the appraisal cycle.

2. **Employee Response**—this allows the person to respond to your assessment of their performance.

3. **Agreed Assessment of Performance**—this area is completed at the end of the part of the appraisal meeting that deals with the review and assessment of the current year, prior to defining and agreeing the next year's goals.

If your form does not have such a section, attach a separate sheet to the formal appraisal form so that there is a formal record of your assessment included in the individual's personnel file.

You should complete this part of the cycle at least two weeks before the annual appraisal meeting so that you have sufficient time to copy it to the individual concerned, allowing them the opportunity to respond to your comments on their performance. Complete your summary of the individual's performance against their goals and give a copy to them to review.

Stage 8—Person comments on your summary

You must ensure that you provide your team members with your own summary on their year's performance with sufficient time for them to read, assimilate, and respond to your assessment of their performance.

It is important for your team members' morale and motivation that they perceive this as a 'real' part of the process. They must feel that they can honestly question and contradict your assessment of their performance and be taken seriously if they can support this with evidence. This meeting is extremely important to the individual because they see it as the only formal influence they have on their reward or recognition.

The response they make to your assessment should be returned to you at least a week before the appraisal meeting, so that you have time to consider it and prepare for the meeting.

Once you have conducted the appraisal meeting the whole cycle begins again with any relevant decisions made at the meeting being fed into the performance plan for the coming year.

As a manager, you may not have much say in how your organization's performance appraisal process is designed, but you are now aware of the essential aspects it should contain and how to maximize its effect on performance.

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KEY POINTS

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- ✔ Create a secure environment during your appraisals that allows for full and open discussions to take place between you and the individual concerned.

- ✔ As part of your preparation for the appraisal meeting you will need to produce a first draft of individual goals for each team member.

- ✔ As part of the appraisal cycle you must ensure that each team member exhibits the 'appropriate competencies' that are described in the role specification and description.

- ✔ Once you have agreed both the goals and the competencies, you need to finalize exactly what you want them to accomplish before their next appraisal meeting.

- ✔ You should schedule regular reviews to monitor progress and give constructive feedback on how well the team member is performing.

- ✔ You can gather performance data from both personal observation and from any critical incidents that happen throughout the year as well as reports and timesheets.

- ✔ Complete a performance summary well before the appraisal meeting so that the team member has sufficient time to make a considered response.

Summary

After reading this eBook you will be equipped with the basic principles you need in order to understand how to prepare and conduct an appraisal cycle, although you may have to adapt them to suit the ethos and processes of your organization and the expectations of your own management.

Your appraisal process must be job-related, reliable, valid, standardized, practical, and acceptable to everyone in the organization for it to function effectively. It should be conducive to employee growth and predicated on the willingness of managers to coach staff and offer suggestions for improved performance. This includes providing regular assistance, support, praise, and constructive criticism.

If you require more detailed information on the actual appraisal meeting, how to evaluate your staff's performance, and how to improve your understanding of competencies then please visit our website **www.free-management-ebooks.com** and download the other free eBooks in this set which include:

- Evaluating Performance
- The Appraisal Meeting
- Understanding Competencies

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