

Performance appraisal - what's in it for me?



An appraisal, or performance review, is the process of identifying, evaluating and developing the work performance of employees of the business so that organisational goals and objectives are more effectively achieved, while at the same time benefiting employees in terms of recognition, receiving feedback, catering for work needs and offering career guidance.

There are a number of potential benefits to the business which flow from effective assessment of performance. In addition to reviewing performance, appraisal systems also provide an effective means of obtaining information about your business which may assist in the making of other strategic decisions.

Potential benefits include:

- > Strengthening of the relationship between employee and supervisor
- > Feedback from employees which may improve job design, working environment, career path planning etc.
- > Identification of potential for future management positions, and promotions or transfers
- > Identification of training needs
- > Information for workforce planning, career and succession planning decisions
- > Ability to match employees with suitable jobs in order to achieve better overall outcomes
- > Information for decisions regarding wage and salary administration, as well as the allocation of various types of rewards
- > An outlet for communicating grievances and problems
- > A means of maintaining performance levels by identifying deterioration before it becomes serious and providing corrective action
- > A way of encouraging employees to take the initiative to improve job performance
- > Checks on the effectiveness of other human resource policies, such as recruitment and training
- > Provides identification of any obstacles to good job performance
- > Establishes and develops competencies

What should a performance appraisal system include?

A fair and effective performance appraisal is an ongoing process of communication between the Manager/Supervisor, who is trained, and the employee. This process does not necessarily need to be limited to an annual or semi annual appraisal and subsequent interview, but rather should include all of the following:

Clearly communicating to employees what their duties are and how to perform them. This information is communicated through written job descriptions, training and instruction from the supervisor.

Telling employees the criteria by which they will be assessed. The clearest way to do this is via the job descriptions that have been developed for every position in the business.

Ongoing feedback. Whenever employee performance fails to meet expectations, the supervisor should immediately counsel the employee to identify the deficiencies and suggest concrete ways to improve performance. The Manager/Supervisor should also give the employee feedback when performance is good.

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Documenting poor performance in writing. Managers/Supervisors should document instances of significant failures by employees to perform to expectations. They should also document the follow up discussion and subsequent progress toward improvement. Superior performance should also be recognised, in written commendations.

Formal Evaluations. These will be scheduled at least once per year - and preferably quarterly. All evaluations should be in writing.

Employee review. Employees will have the opportunity to review and comment on evaluations before they become final. Many human resources professionals recommend specifically allowing employees to file grievances over evaluations that they perceive as unfair, rather than allowing resentment over a poor evaluation to result in decreased productivity or litigation.

Counselling. Managers/ Supervisors should be evaluated on all aspects of their appraisal responsibilities, including:

- > communication of expectations;
- > ability to recognise high and low achievers;
- > ability to criticise constructively; and
- > whether they judge employees fairly and objectively on their performance.

In some cases, Managers/Supervisors may be unwilling to give higher ratings to their subordinates than they have themselves received; management should watch for this and give feedback to supervisors that this is not acceptable.

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