

Employers can increase effectiveness of performance appraisal process

Memphis Business Journal - by Barbara Richman

Although employers understand the rationale for assessing employees' performance, they frequently view appraisals as burdensome tasks that they would like to avoid.

These feelings may be further compounded in organizations that have downsized, eliminated or reduced raises and bonuses, asked more of existing employees, or taken similar measures to weather current economic challenges.

During times such as these, we can ensure that the appraisal process remains a priority by focusing on its benefits and examining ways to increase its effectiveness.

The process plays a vital role in assisting employees in meeting job-related objectives. Its success is dependent, to a large extent, on communications. Informal discussions take place on a day-to-day basis and provide immediate performance feedback. Formal appraisals provide opportunities for management and employees to review prior performance, communicate expectations and make plans for future development.

Performance assessments serve a number of other purposes that include training and development, compensation, transfers, promotions, and, at times, reductions in force. Properly completed appraisals also provide protections for employers in the event of lawsuits or other charges.

There is no one-size-fits-all approach to the performance appraisal process. Instead, employers have numerous options in developing processes to meet their organizational needs. These include assessment forms, rating systems and time frames for formal reviews (e.g. quarterly, annually).

Although approaches to the appraisal process vary among employers, there is general consensus that practices, such as the following, will increase its effectiveness:

1. Have ongoing communications with employees that focus on job performance. This feedback enables employees to gain an understanding of what is required to align their performance with management's expectations.
2. Document performance, including strengths and needs for improvement, on a continual basis. Documentation provides a rationale for ratings, removes guesswork from decisions and increases

the overall accuracy of appraisals. It is also essential in the event that evaluations are called into question.

3. Provide timely feedback after documenting performance. Documentation without communication leaves employees blind-sided about necessary performance changes. It also creates the potential for surprises during the formal appraisal process.
4. Ensure that there is consistency between employees' job descriptions and performance appraisals. Appraise employees on criteria that reflect the essential duties and responsibilities of the position.
5. Complete appraisals in accordance with accompanying instructions and organizational training. This structured approach increases consistency among raters and helps eliminate common errors, such as overusing average performance categories, letting one positive or negative performance rating influence all ratings, basing evaluations on recent performance rather than the entire evaluation period, and allowing personal biases to impact decisions.
6. Be mindful that formal appraisals are sources of documentation that have the potential to be viewed by others on a need-to-know basis. Evaluations are frequently used in making employment-related decisions and as evidence in legal proceedings. If they are used in a legal context, management can anticipate that they will be scrutinized, dissected and "placed under a microscope."
7. Be objective and specific when adding comments to explain ratings. Subjective wording and generalizations (e.g. "always," "never") will not promote understanding and, at times, may trigger defensive reactions.
8. Base ratings on employees' performance and not on their legally protected status (e.g. sex, race, national origin, age 40 or over) or on stereotypes. For example, if an employee who is 50 years old does not perform in accordance with job expectations, the appraisal should be based on the gap in performance and not on the employee's age.
9. Focus comments on specific areas of job performance that were considered in the evaluation. Information on other aspects of performance serves no purpose, can be a distraction, and, in the event of future litigation, will place the organization in a defensive position.

For example, statements regarding an employee's Family and Medical Leave Act absences will raise a "red flag" with opposing counsel, regardless of whether they were considered in the decision-making process. Since FMLA does not allow these absences to be used as a basis in determining attendance or other performance ratings, management will be required to explain why they were referenced.
10. Include space on the appraisal form to allow employees to comment on their ratings. This feedback may identify a need for follow-up discussions and will serve as a source of documentation.

11. Plan for the upcoming evaluation period and future development. Confirm timetables for follow up and completion of agreed upon activities. Opportunities for success will be enhanced if planning is incorporated as an integral part of the overall appraisal process.

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