

Employee Appraisals

Many companies use some type of performance and appraisal process to evaluate their staff on a regular basis.

Some organisations have quite elaborate systems which mathematically tie the employee's next pay increase to their appraisal rating.

Others are much less formal.

In most cases, however, these systems are an effort to let the employee know how they are going on the job.

When the employee knows exactly where they stand, and what they have to do to improve that standing, it makes for much smoother employee relations.

Promotions (or the rationale for not giving them) are much easier to manage when a formal statement of the employee's performance is agreed upon.

"Lip Service"

Good ideas are worthless if not implemented. An excellent appraisal system will fail if not followed, or if managers simply pay lip service to it.

All too often, appraisals are done because the manager suddenly realises that it's "that time of year again". They then throw something together rapidly in order to meet the deadline. The result is that the "appraisal target" is met, but the employee does not really get properly appraised.

One reason for this is that many managers consider appraisals as just another chore that must be done. They see it as outside their immediate job — an added activity that does not really contribute to their immediate situation.

Nothing could be further from the truth.

Another reason for appraisals not being performed well is that the process itself is far too complex.

No Need for Complexity

If the manager does not really understand how the appraisal system works, or how to administer it, they will see it as complex.

An appraisal system which is based on opinion can, indeed, be complex. If the manager has to make value judgements about the worth of a particular employee, they are justified in complaining about the complexity.

A good appraisal process should be:-

- **A simple system.**
- **Easy to administer.**
- **Relevant to the job and the employee's performance.**

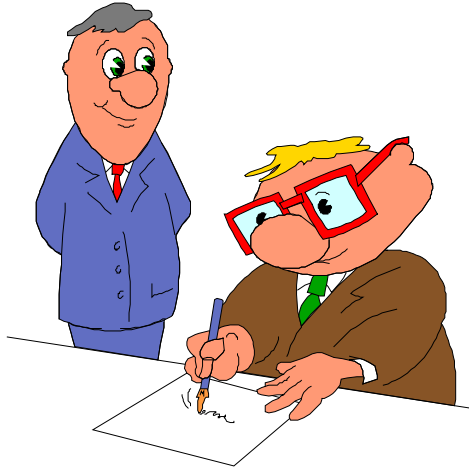
Such a system is far more likely to be used by managers. They would see the value of it and how relevant it was to their activity.

So, how do you construct a performance and appraisal system which will meet these criteria?



Employee Appraisals

It's simple — you base it on actual performance which can be measured.



Define the Result

The very first thing you must do is **define exactly what result** you want this employee to produce.

Look at the area they work in and how it relates to other areas around them. What part of the whole activity do they contribute to?

This is probably the most difficult part of the exercise and you should spend as much time as is necessary to get this right.

As has been said before, you pay people for the results they achieve. Results are measurable, tangible things. If you think they are **not** producing a measurable result, what are you paying them for?



With some jobs it is very easy, of course, because the result is right there in front of you, for example:-

- A sales person produces sales, or revenue, or some such.
- A production worker produces completed production items.

But how about a secretary or an accountant. You need to look a little harder to establish the valuable results *they* produce. But you will definitely find them.

Here are the key questions to ask yourself when establishing the results for a particular employee:-

- Is it of value to another part of the organisation?
- Is it measurable?
- Is it within the employee's control to influence the result?

Get the Employee's Agreement

It is vital that the employee **understand** what the measurable results are for the job and that they are, indeed, valid.

One way to achieve this is to actually **get the employee** to identify the valuable result they are supposed to be producing. Be careful here, however, as this will not always work. With a top performer (who is already **results-oriented**) you have a good chance.

Employee Appraisals

But if the employee cannot see the big picture, they may have no concept of how their job fits into the whole. Consequently, they could come up with a wrong answer here.

Once you have their agreement on the way you will be measuring their performance, you can then set some specific targets that can be measured and graphed. But get the employee's agreement on these too.

It's now much easier to measure their progress and final achievements because **you have eliminated opinion!**

Opinion or Statistic?

By focusing on the valuable result which the employee is supposed to be producing, you can now talk in terms of staticisable results. You can now set some specific benchmarks and targets against which to measure their performance.

By doing so, you are now in the realm of **numbers** which can be measured and compared. There's no opinion involved with saying, "Well, the target was 25,000 and you only achieved 15,500. That's not very good." They can't argue with that.

A secretary **can** argue with an opinion that they "did not give sufficient support". What's "sufficient"?

Or a training manager **could** attack an opinion that they "did not run good training programs". What's "good"?

A Workable System

1. If you can eliminate the opinion, and replace it with measurable statistics, you immediately **remove the complexity** from the process.

2. By working with an agreed measure of the results, you make it **easier to administer** the program.
3. When you talk in terms of the actual valuable results which the employee is supposed to produce, you are definitely being **relevant to the job** and the **performance**.

Giving your employees an appraisal which is based upon an agreed measure of the results they produce can be very powerful.

They know exactly where they stand, and there can be no argument about the results!

