

Performance Appraisals

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Typically, performance appraisals are dreaded by employers and demotivating for employees. As a result, performance appraisals are not done regularly or not done very well, sometimes with disastrous results, like the discharged staff member who claimed that she was discriminated against because of her age. She was 46. During the investigation, the doctor was asked to provide copies of performance evaluations. No performance evaluations had been given to any employees. This claim led to an out-of-court settlement.

While performance evaluations are not legally required, they can assist you in addressing legal challenges that may occur by demonstrating why you chose to make a specific employment decision. Such documentation assists in showing that your intent was not discriminatory as may frequently be alleged. Successfully done, performance appraisals are a great forum for improved staff development, work performance, and communication between employee and employer. They help ensure that employees clearly understand what is expected and how their performance is perceived. Following a consistent and systematic performance appraisal process assures fairness, improves morale, and reduces the risks of lawsuits.

Objectives of the Performance Appraisals

1. To maintain or improve employee job satisfaction and morale.
2. To serve as a systematic guide in planning each employee's further training.
3. To assure a factual evaluation of an employee's performance.
4. To assist in planning personnel moves and placements.
5. To assist in determining and recording special talents, skills and capabilities.
6. To provide an opportunity for each employee to discuss job problems and interests.
7. To accumulate substantiating data for use as a guide for wage adjustments, promotions, disciplinary action, and/or re-assignments.

First Things First

Effective performance appraisals begin with a well-written job description. The job description lists the essential functions of a job and outlines the principal duties and responsibilities—thus defining what is expected of the employee. Making expectations clear to employees is also part of helping them do their jobs. Employees who know how their performance will be measured are much more likely to succeed and accept constructive criticism.

Performance Appraisal Principles

Once expectations have been clearly established and communicated, then the performance appraisal process lets employees know how they are doing. Nothing you say in an employee's annual review should be a surprise to the employee. Employee performance should be continually monitored, and feedback—both positive and negative—should be an ongoing process. This feedback to employees can be verbal or in writing however, whichever way it is provided, making a note to yourself will assist you in the objectivity of the formal evaluation when it occurs.

The quality of job performance, ability to get along with co-workers, willingness to cooperate, ability to lead, attendance, appearance and personal initiative, etc., should be evaluated and documented. This record then becomes a permanent part of the employee's personnel file (use a Performance Appraisal form such as our Form #400, or a New Employee Progress Report such as our Form #205).

Be candid. Many lawsuits have been lost because records of an employee's performance have not been adequately recorded. The need for documentation begins long before any lawsuit is filed. Creating written documentation helps make sure that your appraisal of the employee's performance is based on incidents that happened throughout the year and not just on the most recent events. Written documentation provides validity to the evaluation process. It is hard for an employee to claim that you never told him or her of a particular behavior if there is information to that effect in the file. Ideally, each employee should receive a formal performance appraisal at least once a year.

Things to Avoid

1. Halo Effect. The tendency to rate an employee high in everything.
2. Bias. The emotional tendency to reward our friends or those we like by giving them good ratings and conversely, a poor rating to those we dislike.
3. Undue Credit for Length of Service. The tendency to overrate long-service employees and to underrate short-service employees based on the assumption that the longer an employee performs a job, the more proficient the job is done.
4. Personal Projection and Self-Identification. The tendency to vie for those who resemble them in some way, e.g., personality, physical appearance or work habits, as, opposed to those who are different.
5. Loose Ratings. The result when one is threatened by fear of hurting anyone's feelings. Such ratings are not fair to anyone and can create discord in the work environment.
6. Judgment of Recent Behavior. The tendency to evaluate performance consistent with the most recently observed work behavior. This may cause more dated performance that is essential to the evaluation to be omitted and to lose behavioral trends that are important to the rating.

The Performance Appraisal

Remember that you are evaluating the job performance not the person.

Determine whether or not shortcomings are due to lack of proper training or guidance.

Effective reviews will:

1. Build a better understanding between the employee and employer.
2. Clarify the mutual objectives of the employee and the employer and give the employee a feeling of satisfaction in the areas of good performance, and knowledge of where improvement is needed.

The Appraisal Process

1. Plan the appraisal. Choose a time and place where you will not be interrupted. Get all the facts.
2. Try to put the employee at ease.
3. Explain the purpose of the appraisal. Why it is beneficial to everyone.
4. Proceed with the details, systematically, in a factual non-critical manner.
5. Summarize strong and weak points. Develop plans for improvement.
6. Give the employee a copy of the report.
7. Place a copy in the employee's personnel file.

Checklist

In summary, while the process for doing employee performance evaluations are time consuming, when done correctly, they provide the work-related communication that is needed to ensure that expectations are met and accountability exists.

Key issues to remember include:

- Base the appraisal on the performance of the employee during the entire period.
- Base the appraisal on accurate data obtained from records whenever possible or from careful observation when not possible.
- Do not permit type of job or length of service to affect the appraisal.
- Do not let your personal feelings bias your appraisal.
- Do not be unduly influenced by a previous appraisal.
- Do not make an appraisal on vague impressions.
- Do not appraise too quickly.
- Ensure that providing work performance feedback is ongoing and that this information is incorporated into the formal evaluation.
- Document ongoing work performance and, when appropriate, use a form such as our Employee Counseling Memo (Form #418) for that purpose.
- Evaluate more frequently during the employee's initial Orientation and Training Period. This is your best opportunity to provide constructive guidance in helping ensure the employee will meet your expectations and therefore become a more effective member of your office team.
- Prepare job descriptions or work plans that specify expectations against which employee performance will be compared.
- Make sure that the performance evaluation interview allows a dialog whereby the employer/manager and the employee discuss the evaluation before the document is formalized.
- Ensure that the evaluation results in an objective review of past work performance, provides specific and behaviorally-based expectations for future performance and describes agreements reached by the manager and the employee on their mutual responsibilities in achieving these goals.
- Focus on positive performance and recognize it.
- Although the documentation of past performance is essential, during the evaluation, be as constructive and positive as possible on future goals.
- Good communication and accountability are keys to staff development and job performance. By following the guidelines listed above you will be more confident and more effective with performance appraisals and thus support better communication and accountability.

In conclusion, performance appraisals are important. Do them effectively and it will maximize their value.