

How to Evaluate Performance

Paul Newton



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Preface

The success of the appraisal process depends on the quality of the performance data you collect throughout the appraisal period. This eBook describes how to collect, evaluate and record this information.

You will learn:

- How to gain an objective picture of the extent to which each team member has met their performance goals
- How to avoid the ten most common causes of bias and ensure that your ratings are totally objective
- How to measure competencies and behaviors using the KSA method
- How to integrate significant incidents and input from third-parties into the performance data you collect
- The advantages and limitations of different types of rating scales

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Introduction

As a manager you play a pivotal role in the performance management system. Your responsibilities in this area include collecting and evaluating performance data, conducting the appraisal meetings, and completing the final appraisal reports.

Most appraisals are conducted over a 12-month period as it matches the annual cycle of other key business functions, such as budgeting, pay reviews, and performance bonuses.



The stages of the appraisal process are:

1. Conduct the appraisal meeting.
2. Define and agree goals.
3. Describe role competencies.
4. Agree goals with the individual, and gain his or her commitment to them.
5. Agree and conduct regular review sessions.
6. Gather a wide range of performance data throughout the whole cycle.
7. Write your performance summary for the individual.
8. Individual responds to Stage 7 with their own performance summary.

For practical purposes we will use the actual appraisal meeting as the start of this cycle. This is because as a new manager one of your first actions should be to meet with each team member and understand what they see their role to be, what goals they are working towards, and how they view their contribution to the organization.

The first five stages of this process are discussed in the ‘What are Appraisal Meeting’ eBook, which can be read on bookboon.com Premium.

The last three stages represent activities that need to be conducted outside of the actual meeting, and involve recording and collating the relevant performance data. These are the subject of this eBook.

You need to allocate frequent slots within your monthly work schedule where you collate and record performance data. An effective way to collect the required data is to ask your team to structure their monthly progress reports in a way that maps to their personal goals.

You will also want them to record details of any significant incidents that have occurred. You should also create your own notes of such events, both positive and negative.



In addition, you need to solicit information from both internal and external ‘customers’ of your team, in order to gather your own data about your team members’ performance and attitude.

Key Points

- Most appraisal processes are conducted over a 12-month period as it matches the annual cycle of other key business functions.
- The stages of the appraisal process are:
 1. Conduct the appraisal meeting.
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 3. Describe role competencies.
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 8. Individual responds to Stage 7 with their own performance summary.
- The last three stages represent activities that need to be conducted outside of the actual meeting, and involve recording and collating the relevant performance data. These stages are the subject of this eBook.

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1 Collecting Performance Data

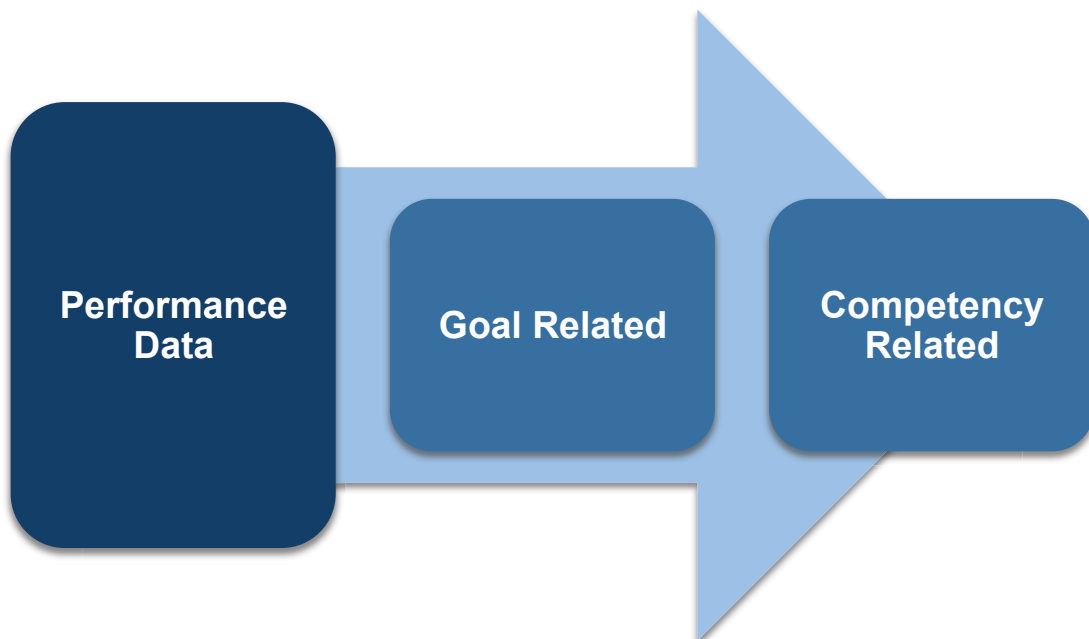
It is your responsibility to collect performance data from a variety of sources in order to provide yourself with an objective picture of the extent to which each team member has met their performance goals and displayed the competencies expected of their role.

Both of these factors are equally important since it would be possible for someone to achieve all of his or her performance goals whilst creating problems with customers, suppliers, and co-workers. In fact, focusing exclusively on the achievement of performance goals with no reference as to how they have been achieved can prove disastrous in the long term.

For example, if a sales person has achieved all of their sales targets by misleading customers about product functionality or delivery dates then this would impact on other people in the organization and may damage the reputation of the organization itself.

Similarly, a technical support team member might have a good record of resolving technical problems, but if they appear condescending towards customers then this will need to be dealt with before it causes damages the organization's image.

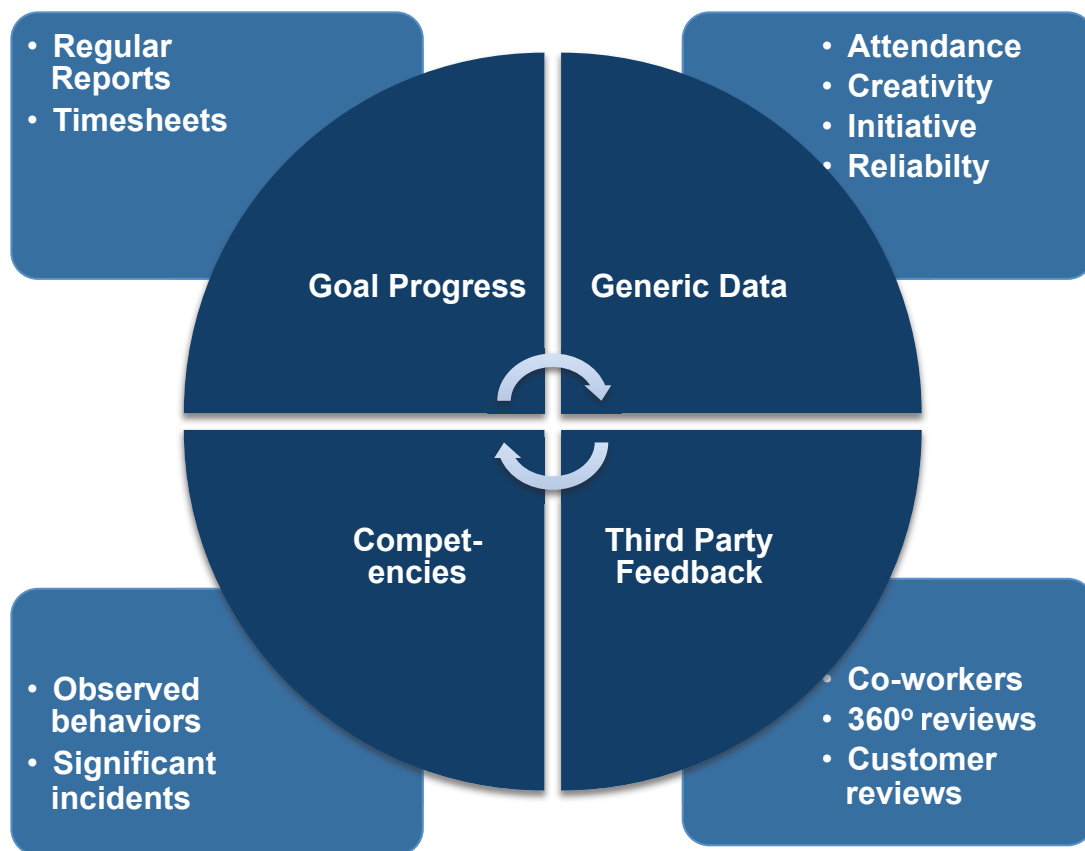
On a practical level, you should create a separate file for each of your team members; this can be a physical file or an electronic one. Just remember that physical copies of the performance data will be required for the appraisal meeting and for inclusion in the team member's personnel file.



You may want to enter this data into a spreadsheet for each individual member and for the team as a whole as this will give you a quick reference point for assessing performance. This also enables you to quickly compare performance across your team so you can easily identify areas or people who are underperforming. Without valid and thorough performance data you will be unable to offer constructive feedback and relevant coaching to help them to improve.

1.1 Types of Data to Collect

There are a wide variety of options available to you as a manager for collecting data on the performance of each of your team members. These can be broadly categorized into four areas as shown in the diagram below.



These categories are not exclusive. For example, a ‘significant incident’ could demonstrate that a team member possessed a required competency as specified in the role description, but it could also have contributed to the attainment of a goal. As in:

Your emotional intelligence and communication skills prevented the organization losing a key account and, furthermore, increasing the revenue from that account enabled you to meet your revenue targets.

When using job descriptions be sure to rate each item in terms of its contribution to the organization rather than in terms of the one that has the most responsibility or is the most time consuming. This offers you the perfect opportunity to regularly clarify and reinforce the organization's objectives.

Making this data collection something that you do on an ongoing basis will increase your overall effectiveness for several reasons. Firstly, it will enable you to collate first-hand information about new developments, problems, and training needs, as well as any issues and concerns your team may have. Secondly, regular meetings with each of your team members provide you with the ideal opportunity to give clear and specific feedback regarding their performance. Finally, the data collection process encourages you to regularly engage with your team members, something which has a positive impact on their motivation and morale.

One of the greatest benefits you will achieve as part of this continual monitoring of your team's performance is the ability to make better and more informed decisions as a result of using accurate and current data. This results in your decisions being more readily accepted and understood.

This is especially true for remuneration decisions, as they are based on factors that are fair, consistent, and tailored to individual performance. By providing a clear link between performance and remuneration, performance data allows remuneration decisions to be more transparent, equitable, and motivational. In contrast, this data also supports any disciplinary decisions you may need to make, since complete and objective performance data offers a robust defense against claims of wrongful dismissal.

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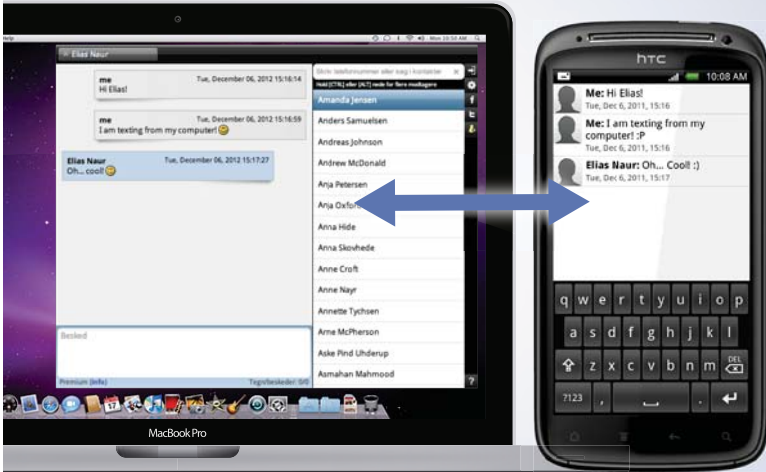
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1.1.1 Goal Progress

You can delegate a portion of the performance data collection to each team member in terms of their regular reporting. You can define these reports as part of the goals you set, or as part of a business function that the individual is responsible for or contributes to.

You are in the best position to know what kind of objective data is most relevant for your team and what helps you the most in your own reporting. For example:

For sales representatives it may be call reports, sales reports including potential revenue and likelihood of closing the sale, or reports listing the number of calls made over a particular period.

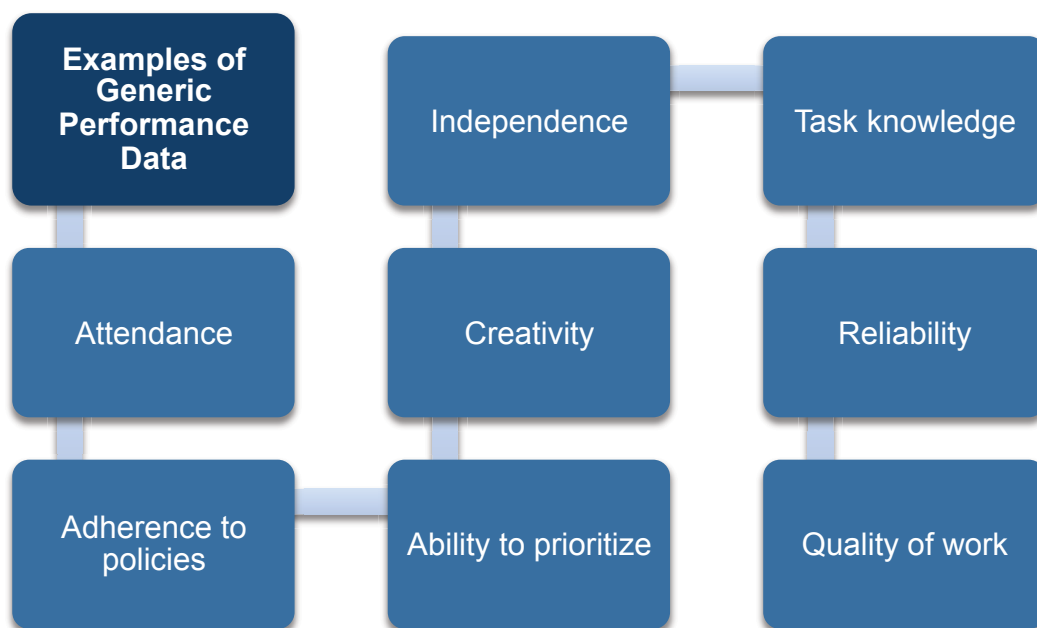
For information technology staff it may be project milestones, or charge or time sheets detailing work in progress and work completed.

For marketing staff it is a report outlining their progress according to the marketing plan and its targets.

Almost any quantifiable information that is a direct result of the individual’s efforts should be dated and put into the file. Reports have a dual impact: they keep you aware of how each member is contributing and highlight to them how well they are performing against their goals or targets.

1.1.2 Generic Data

This area of data collection often relates to the attitudes an individual portrays towards their role and the organization.



For example:

Is the person absent frequently? Are the absences affecting their performance?

Does the individual follow organizational policies and procedures?

Did they complete assignments in a timely manner and follow up appropriately?

How well does the individual demonstrate an ability and willingness to cooperate and work effectively with others, including supervisors, co-workers, customers, suppliers, and the broader community?

To what extent does the person seek out new assignments or additional responsibilities?

Does the person show a commitment to safety at work in their performance?

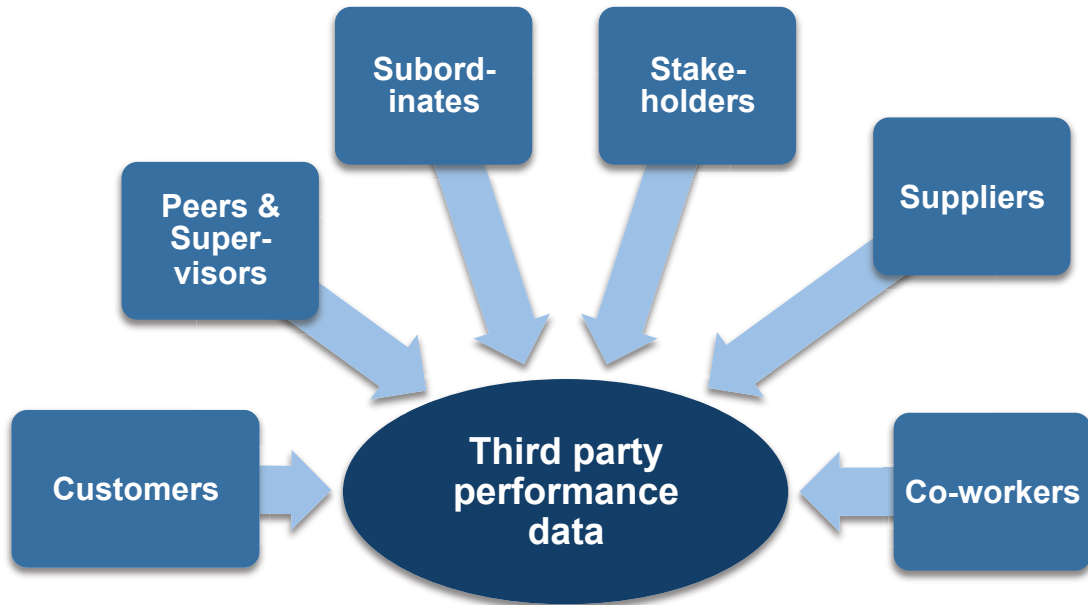
All of these generic ways to measure performance need to be judged according to the person's job description and their contribution to the organization's success. It is also important to view any personnel data such as absenteeism, sickness, and accidents as **potential** indicators of poor performance.

Additional evidence for many of these generic factors can also be gained by talking to other people the team member has contact with.

1.1.3 Third Party Feedback

The first two methods of gathering performance data generally relate to your working relationship with the individual, but this only provides you with a narrow view of their performance. To gain a true appreciation of how well a person is performing and contributing to the organization, you need to gather data about the individual's relationship with third parties.

The type of data you can collect from these third parties will vary depending on the nature of your team and the individual's role. Examples include production schedules, product sales reports, geographical returns report, customer feedback, and peer evaluations. Be mindful of the individual's personal contribution to such data and view it as supplementary to your own performance data because of the subjective elements that are likely to be included.



Remember, these measures may be subject to factors outside of the individual’s control. For example, a sales person may be very effective at setting up meetings with prospective customers, making sales presentations, and gaining the opportunity to quote for the organization’s services. But if the quotes provided are not competitive then the salesperson may be unfairly blamed for the lost sales.

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You may also request your team leaders and supervisors to provide you with their own evaluations of an individual's performance or you may want to include a self-evaluation by the individual. You can also conduct a 360° feedback exercise where you seek feedback from subordinates, peers, supervisor(s), and a self-evaluation by the individual. If appropriate to the person's role you may want to include customers and suppliers or other interested stakeholders. Whilst this exercise can be extremely useful in providing data it can be time consuming and expensive to conduct.

1.1.4 Competencies

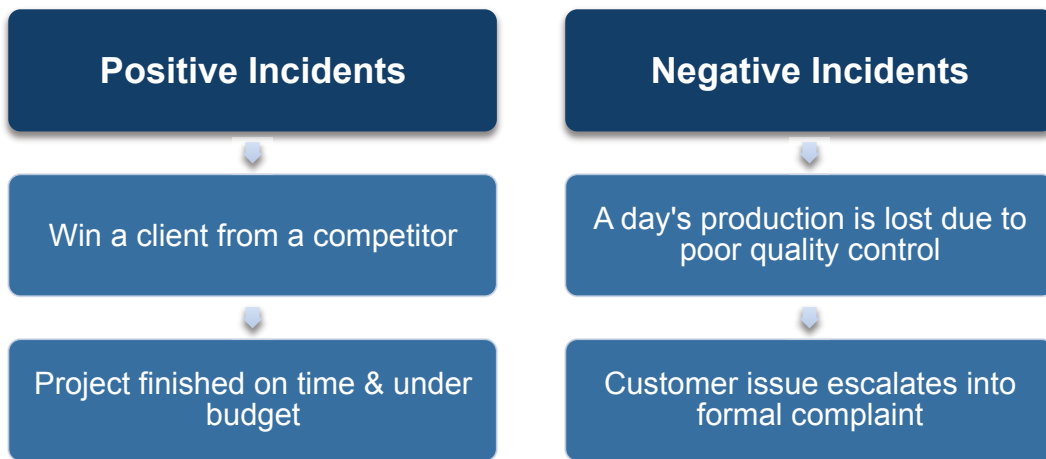
Performance is not solely about attaining targets; how they are achieved also matters. For example, an organization's best salesperson may bring in the most revenue, but if he or she communicates poorly with others within the organization then the first experience of working with new customers could be fraught with misunderstandings.

These could have been avoided if the salesperson behaved differently, i.e. worked as a team player, provided the implementation team with supporting documents, and communicated the customer's requirements properly. By doing these things, the salesperson could ensure that the customer's expectations were met and that the customer's first experiences with service delivery were good ones.



There are two ways you can gather performance data on the competencies of your members: firstly, by recording details of significant incidents involving the individual; and secondly by actually observing the behaviors they display.

So, how do you define a significant incident? As part of your role in managing your team's performance you will regularly be analyzing the report data each individual sends you. This information along with each person's goals enable you to have a defined expectation of what is required, what needs to be done, and what constitutes successful completion. An incident becomes 'significant' when the performance or behaviors of the individual deviate substantially from your expectations.



These incidents are relatively rare and they are significant because each one provides you with evidence of how well, or not, the person's competencies and behaviors match those expected of their role.

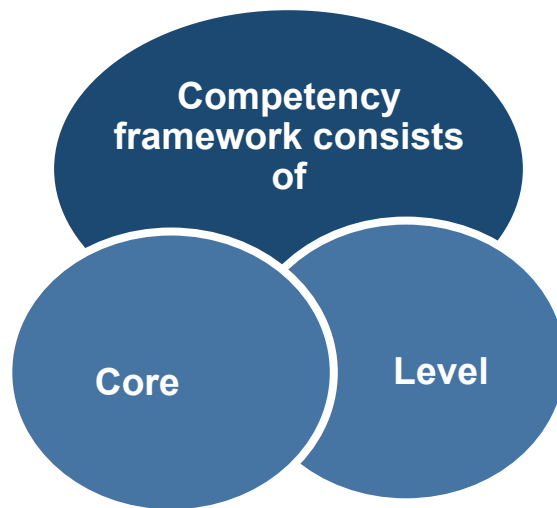
In addition to noting these, you should observe each team member's day-to-day interactions with others. You then need to evaluate what you see in terms of whether or not it meets expected performance levels. For example, does the individual go out of their way to help other team members or voluntarily take on additional responsibilities? Conversely, do you ever see them being obstructive, withholding knowledge, or claiming credit for someone else's work?



As described earlier, competencies are the aggregate behaviors needed for an individual to perform their role. They relate to how people deliver objectives rather than to what the objectives are. These are detailed in a person's job description and specification, and this will help you in your weighting of each one in its contribution to the team member's performance.

For example, a salesperson needs to display a team-working competency so that orders are fulfilled as promised. They also need to be customer focused and consider the customer's long-term needs so that the customer continues to return to the organization for future services, not just the initial purchase.

The relative importance placed on each desired competency will reflect the culture and values of the organization and the behavior exhibited by senior management.



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Some competencies may be defined as ‘core.’ These apply to all employees, whilst others, such as leadership, may only be appropriate to a ‘level’ or grade, e.g. managers. These different levels and their associated competencies and associated behaviors make up an organization’s competency framework. The typical competencies included in a framework are:

- Communicating Effectively
- Planning and Organizing
- Leadership
- Teamwork
- Creativity
- Focus on Goals
- Embracing Change

Evaluating Competencies Example

In this example, you want to gather performance data on your team’s competency level for ‘communicating effectively.’ The first step is to refer to your organization’s competency framework and definitions. This is usually available from your human resources (HR) department.

In this example, the organization has defined the competency ‘communicating effectively’ and its minimum requirements for each of three levels. Each level builds on the preceding one and so clearly illustrates any gaps an individual needs to fill, or enhancement they need to make, in order to perform more effectively.

Your role as manager is to ensure that all your members are operating at Level 3 and to show evidence of these behaviors.

COMMUNICATING EFFECTIVELY – individual communicates clearly & concisely both when speaking & writing to colleagues, customers & suppliers		
LEVEL 3	LEVEL 2	LEVEL 1
Ensures people are given the right information	Communicates relevant information clearly and concisely to others	Communicates clearly and concisely. Adapts language and style to audience to ensure understanding

The broad explanations at each level are further broken down into the expected behaviors you can measure their performance against. This breakdown shows the development in the competency as the person moves up a level.

COMMUNICATING EFFECTIVELY		
POSITIVE BEHAVIORS		
LEVEL 3	LEVEL 2	LEVEL 1
<ul style="list-style-type: none"> • Explains things clearly • Gives the right information • Keeps colleagues informed. 	<ul style="list-style-type: none"> • Speaks clearly to colleagues and customers • Is polite and shows understanding to others • Responds to people in a polite, helpful way when met with communication difficulties • Uses appropriate body language & tone of voice. 	<ul style="list-style-type: none"> • Speaks clearly to all engaging their interest • Actively listens and responds in a coherent and polite manner • Explains difficult issues clearly and understandably • Follows the organization’s guide to style and presentation • Checks for understanding • Supports arguments and recommendations effectively in writing.

Armed with this list you can now actively observe your team’s performance and daily activities, noting examples of each behavior.

Some organizations also include a list of negative behaviors for each level but this is not the norm. This may be something that your human resources department asks you to observe and note if there is a disciplinary issue with an individual.

COMMUNICATING EFFECTIVELY		
NEGATIVE BEHAVIORS		
LEVEL 3	LEVEL 2	LEVEL 1
<ul style="list-style-type: none"> • Is difficult to understand • Gives too much or too little information • Doesn’t tell colleagues what they need to know • Gives inaccurate or poor information 	<ul style="list-style-type: none"> • Displays inappropriate body language or tone of voice • Gives standard answers without consideration of the listener’s needs • Is impatient with customers and has communication difficulties • Shows poor spelling and grammar in written communications 	<ul style="list-style-type: none"> • Continually interrupts when someone is speaking • Gives long-winded explanations • Doesn’t check for understanding • Uses jargon or inappropriate language for audience • Provides insufficient explanation

Using this framework you can easily create a spreadsheet for each member to help you record your observations of each person demonstrating these behaviors, and so define the level they are at. The performance management data gathered throughout the review period provides you with a list of incidents and observations of each team member’s behaviors.

A well-designed competency framework helps you conduct effective appraisals and define training requirements as well as areas for coaching and career development. The framework can also be a useful tool when recruiting new members for your team. If you want to learn more about competencies visit our website bookboon.com Premium and read our eBook „How to Develop Competencies“.

Key Points

- Collect performance data from a variety of sources in order to provide yourself with an objective picture of the extent to which each team member has met their performance goals and displayed the competencies expected.
- You should collect data based on: progress towards goals, third party feedback, and observed competencies, as well as generic data like attendance.
- You can delegate a portion of the performance data collection to the individual in terms of their regular reporting.
- To gain a true appreciation of how well someone is performing and contributing to the organization, you need to gather data about the individual's relationship with third parties.
- Performance is not solely about attaining targets; how they are achieved also matters.



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2 Understanding Rating Bias

Industrial psychologists have identified ten common causes of bias that affect managers when appraising their team. As you read through this list ask yourself if you have a tendency to act in this way. If you answer 'Yes' then you need to make a conscious effort to avoid the behavior.



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. Beware that this similarity/difference could involve obvious factors such as gender or ethnicity. It can also be present 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 increasing their motivation. 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.

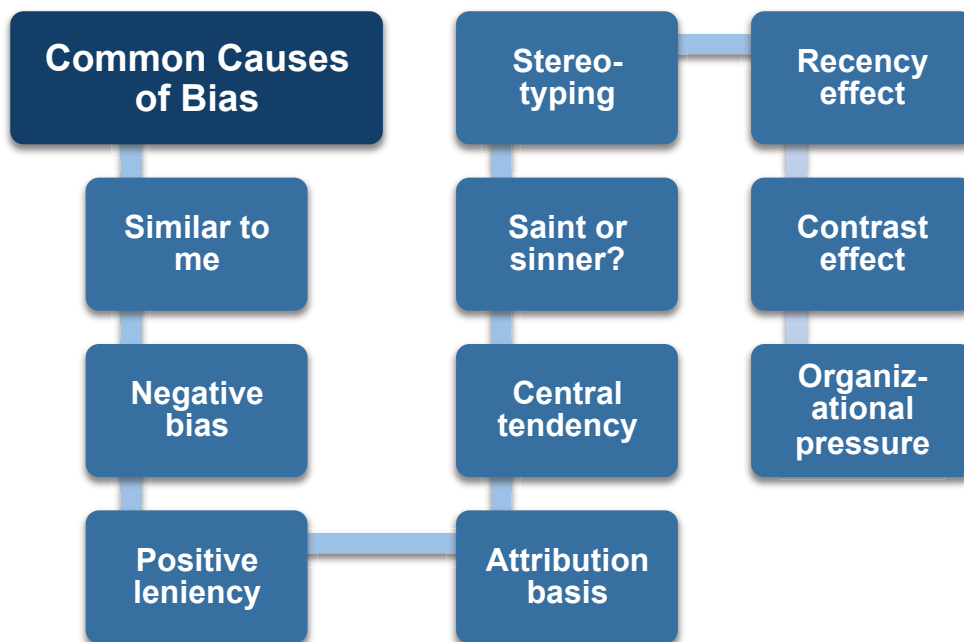
Ask yourself – do you find yourself reluctant to award scores higher than 8 out of 10 because you feel no one performs near perfection?

Attribution bias – 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?

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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 halfway through your appraisals alter your judgment of individuals to present this balanced picture?

Organizational Pressure – does your organization tacitly encourage higher ratings to give the appearance of higher performance than is actually occurring? If you feel this is happening then you need to upwardly manage expectations so that realistic performance appraisals are acceptable to your own senior management.

Ask yourself – are realistic performance ratings met with disapproval by my own management? What are the long-term effects of this 'rating inflation'? Are team members learning to see mediocre performance as acceptable or even praiseworthy?

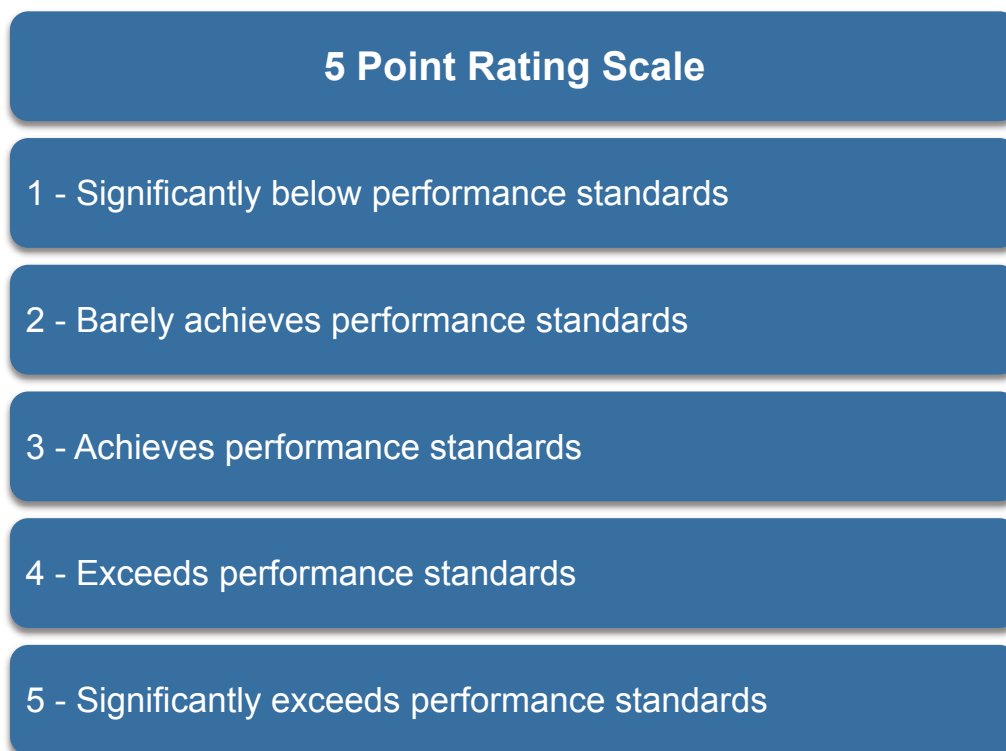
Being aware of factors that can create rating bias can help you to avoid it and ensure that the information on which you base your appraisals is as objective as possible.

Key Points

- Industrial psychologists have identified ten common causes of bias that affect managers when appraising their team. These include:
- A tendency to rate people higher if they are similar to you, or to rate them lower if they are different.
- Rating people higher than they deserve in the belief that by giving a higher rating you are increasing their motivation.
- A reluctance to assign a high rating for an individual's performance, even when this is well deserved.
- Ascribing poor performance to factors within the control of the individual whilst ascribing good performance to external factors.
- A tendency to avoid high or low ratings.
- Being overly influenced by a single favorable or unfavorable trait that colors your judgment of an individual.
- A tendency to make generalizations across a group and not recognize individual differences.
- A tendency to place undue emphasis on recent events.
- A tendency to evaluate an employee relative to the last person evaluated.
- A tendency of some organizations to encourage higher ratings to give the appearance of ever-improving performance.

3 Rating Performance

A key consideration when gathering performance management data is the way in which performance is going to be rated. Most organizations use a 3, 4, 5 or 7-point scale with the most common being a 5-point scale as shown.



The advantage of using this scale is that you are able to rate people above or below average performance without reaching either of the extremes, which many managers are uncomfortable doing. The fact that the highest and lowest ratings are reserved for exceptional circumstances means that most people are comfortable using this scale.

While 3-point scales do exist they are comparatively rare and are usually unpopular. Similarly, a 4-point scale forces a manager to assign higher or lower than average marks even though they may not feel that this is justified. Some favor it because a manager does not have the option of just selecting the midpoint; they actually have to make a reasoned judgment. However, if the time involved in making these judgments is excessive then this is detrimental to the manager's own performance and can prove unpopular.

You will need to communicate to your team members how the 'midpoint' of the scale is defined. You should do this at the start of the appraisal cycle so that their expectations are clearly set. For example, you could explain that a rating of '3' is awarded when an individual is achieving their targets consistently, displaying the required competencies, and showing commitment as detailed in their job description.

You should ensure that every member of your team appreciates that a midpoint rating does *not* equate to an indifferent or merely acceptable performance and implies more than just turning up every day. The policy of your organization in terms of awarding merits and promotions based on a midpoint rating needs to be explained to the individuals so that they are aware from the outset of the impact on their remuneration of a midpoint score.

Descriptions of the rating criteria and remuneration policy are usually available from your human resources department. For example:

1. **Significantly Below Performance Standards:** An evaluation resulting from performance that consistently and significantly fails to meet the performance standards of the position. The supervisor must contact the Division of Human Resources to initiate a Performance Improvement Plan, which must be completed jointly by the employee and the supervisor.
2. **Barely Achieves Performance Standards:** An evaluation resulting from performance that barely meets the performance standards of the position. The supervisor must contact the Division of Human Resources to initiate a Performance Improvement Plan, which must be completed jointly by the employee and the supervisor.
3. **Achieves Performance Standards:** An evaluation resulting from performance that fully meets the performance standards of the position.

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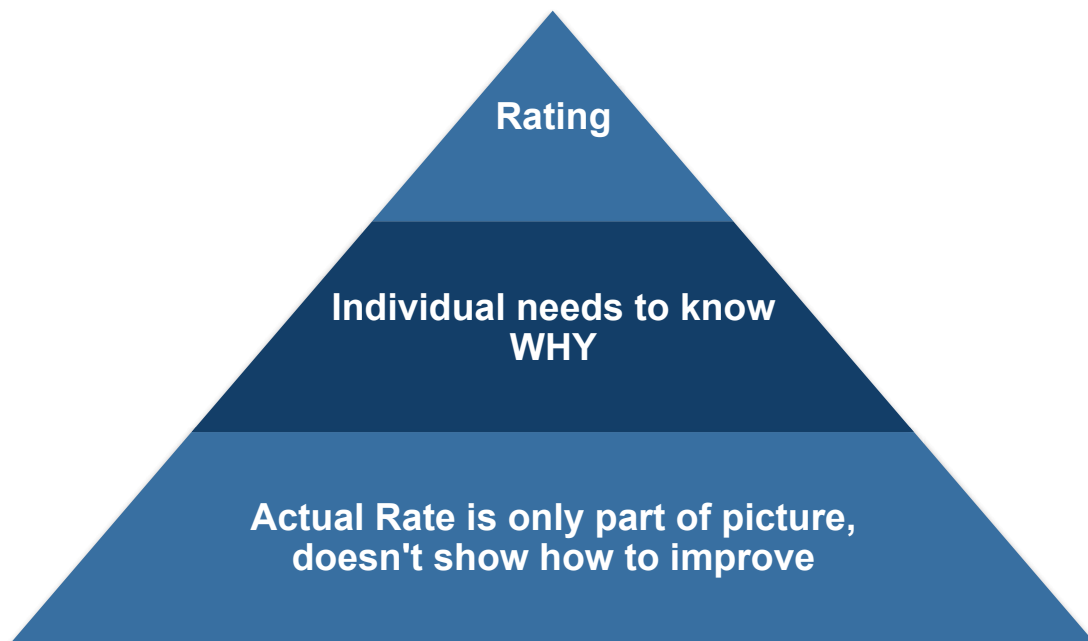
4. **Exceeds Performance Standards:** An evaluation resulting from overall performance that is above the performance standards of the position.
5. **Significantly Exceeds Performance Standards:** An evaluation resulting from overall performance that is consistently and significantly above the performance standards of the position.

You can avoid a lot of misunderstandings by making sure that all of your team members are aware of the rating criteria and remuneration policy.

You should also think carefully about the distance between the midpoint of the scale and the other points. To pick a simple example, if a support team member is expected to deal with 40 customer queries per day, at what point would they merit a 'consistently exceeds expectation' rating?

This is a decision for you to make and the important thing is to be consistent. It can be a good idea to base this figure on historical data so that team members see it as realistic and achievable, rather than some arbitrary goal.

You should also take into account that highly effective employees often complain that their managers do not give them sufficient recognition for their efforts. Most high-level performers value being told that their performance has exceeded expectations. If you take this group for granted and fail to give them detailed feedback on their successful performance you risk lowering their motivation and commitment.



Finally, don't get too hung up on the rating aspect of performance factors. It is far more beneficial for the employee to understand why they have scored as they have and to know where the areas for improvement are, than to become preoccupied with any particular performance measure. The most important thing is that there is a clear rationale for each rating, which demonstrates to the employee exactly why that selection was made.

Key Points

- Most organizations use a 3, 4, 5 or 7-point scale with the most common being a 5-point scale.
- You will need to communicate to your team members how the 'midpoint' of the scale is defined, so that their expectations are clearly set.
- You can avoid a lot of misunderstandings by making sure that all of your team members are aware of the rating criteria and remuneration policy.
- Provide a clear rationale for each rating, which demonstrates to the employee exactly why that selection was made.



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Jane, Chinese architect

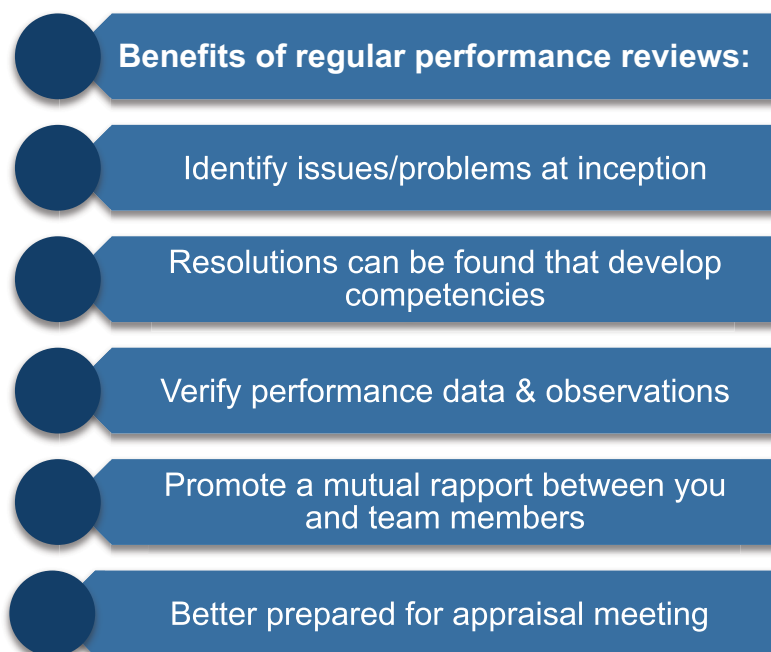
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4 Importance of Regular Reviews

One of the benefits of regular data gathering and scheduled performance reviews is the opportunity they give you to identify potential problems early rather than having to resolve them after they have become a major incident.

These reviews offer you a chance to discuss current levels of performance and progress towards goals, as well as strengthening the working relationship you have with each member of your team.



As a busy manager it is very easy for you to unconsciously become pre-occupied with 'doing' rather than 'managing.' These reviews enable you to promote real team building behavior: spending time with your team discussing their progress, listening to their concerns, and providing regular feedback will be far more effective than any number of 'team building' workshops or seminars.

For many managers the appraisal 'season' results in a significant increase in their workload. One of the big advantages of these regular reviews is that the time needed to prepare for the appraisal meeting is drastically reduced because you've been gathering and reviewing performance data during the whole appraisal period. In addition, regular reviews reduce your stress levels as they provide you with ample supporting evidence to back up your ratings as well as preventing unexpected surprises during the appraisal meeting.

The frequency of these meetings will be influenced by the nature of your team's work and the tasks that each individual is responsible for. If you set the reviews too close together you and the individual will see them as an irritation rather than an opportunity to mutually exchange details on their performance. The gap between reviews will also influence the length of your reviews; if they are more frequent they do not need to be lengthy. For example:

Quarterly – if you are responsible for a long-range project team where the goals require this amount of time (e.g. Length – 1hr)

Monthly – your marketing team have a variety of goals that mature at differing rates throughout the period (e.g. Length – 1/2hr)

Weekly/Fortnightly – you look after a customer support desk and issues arise frequently that you need to be quickly informed of so that a suitable approach for your team can be devised (e.g. Length – 15 minutes)

To prevent the workload of these reviews from becoming a burden, you should:

- Set a review agenda
- Conduct shared goal reviews
- Stagger your team reviews

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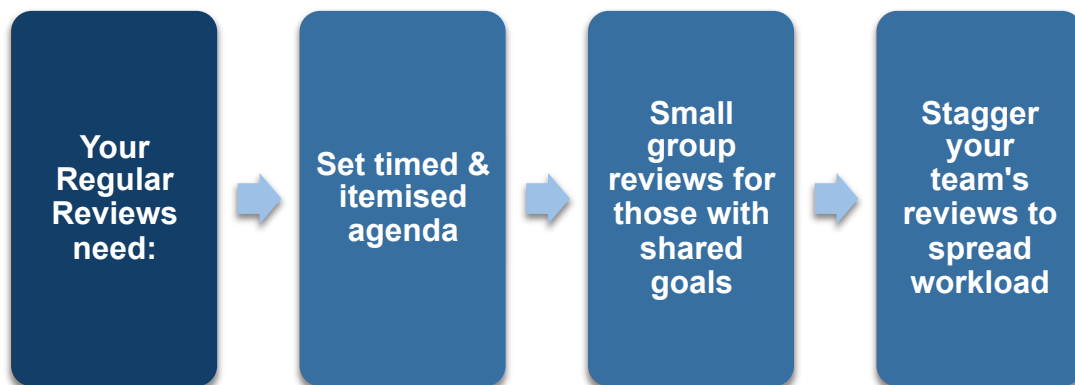
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You must treat these review meetings as you would any other meeting and set a timed agenda with listed items to be discussed. The topics you will be discussing are easily defined and will relate to the individual's goals and required competencies. A degree of formality also reminds the team member that these review discussions will form part of their overall performance rating.

For most team members, the topics discussed will relate to their most recent activities. However, you may also want to discuss how long-term goals are progressing. This is especially appropriate for a marketing or sales team.



You may be able to group some of your team members into small groups (4–6 people) for their reviews if they have shared goals that they are working towards cooperatively. This ensures effective use of your time as you conduct one review rather than four or six just to get the same data. It also offers you the opportunity to observe the team members' interactions and pick up on potential problems before they become serious.

The ability to group reviews in this way is not always an option so you may want to stagger the reviews rather than have them all happening at once. You are the one who knows your team best, so you will need to judge which members of your team need to be reviewed more frequently.

You may choose to have longer gaps between your reviews with your more experienced members, giving you time to mentor and coach those needing the most support and guidance. You could also choose to alter the frequency of these meetings throughout the appraisal period so that they are more frequent as significant deadlines approach.

These reviews also ensure that you keep your performance data and observation notes up to date. Your files do not need to be elaborate, just easy to record and analyze as well as cross-reference the data against the individual's goals.

Prior to each review you have the opportunity to check that you have the performance information relevant to each goal and required competency. Where you find gaps you can look back over the past month to see if anything has happened that can contribute to the performance data. If not, you can focus on activities and events that will provide the data you need.

You need to ensure that do not find yourself at the end of the performance period with insufficient data to support your ratings. Making data gathering a scheduled activity removes the stress and uncertainty of relying on your memory or on any subjective impressions that you may have developed.

Key Points

- Regular scheduled performance reviews give you the opportunity to identify potential problems before they become serious.
- These reviews also strengthen the working relationship you have with each member of your team.
- Spending time with your team discussing their progress, listening to their concerns, and providing regular feedback will be far more effective than any number of 'team building' workshops or seminars.
- You must treat these review meetings as you would any other meeting and set a timed agenda with listed items to be discussed.

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5 Writing an Annual Performance Summary

As far as you as a manager are concerned, the primary purpose of the annual performance summary is to give the team member constructive feedback on how well they have performed over the period. The fact that is usually kept on file and forms part of the individual's personnel record is of secondary importance, as it will probably never be looked at again after it has been filed away.



Ideally, a performance summary should consist of four sections:

- **Goals** – a description of how well each goal has been performed against its measure, and then a rating of this performance.
- **Competencies** – using the role description highlight from your observations and any significant incidents examples of where new competencies and improved or poor behavior have been displayed.
- **Overall Performance** – describe the individual's overall performance and the overall rating they have been awarded.
- **Future** – describe the person's strengths and areas of improvement, indicating potential training needs. You would summarize any disciplinary or HR issues in this section.

If your organization uses a standard form on which these areas are not obvious then you should think about preparing a supplementary sheet with these titles to use as an 'agenda' in the appraisal meeting with the team member. This will provide you with a useful and practical basis for the meeting rather than using the 'official' form. Obviously the 'official' form will still need to be signed and filed, but there is no reason to use it as the basis for the meeting if it is unsuitable.

When completing the competency section, there is no need to work through every competency listed in the role description. It is sufficient to highlight areas where an individual has developed their competencies and areas where these have fallen short of the requirements of the role.

When completing the overall performance section, you do not need to reiterate the content of the goal section unless you want to highlight exceptional or poor performance.

When completing the future section, you may want to refer to the type of training you wish them to undertake so that they can see how they can attain these new skills and behaviors. It is important that you build on successes as this will help to ensure that the individual stays motivated.

The initial written summary that you send to the individual a few weeks prior to the appraisal meeting must present your reasoning supported by objective data. The easiest way to ensure your summary meets this requirement is to use objective language that shows your impartiality and fairness.

Using objective language means choosing words that will be interpreted similarly by most people. It is most effective when it has a direct correlation with the duties and tasks for which the employee is responsible.

Some examples of objective phrases are:

Achieves results cost-effectively

Shows considerable analytical skills

Whilst the goal has been attained it has been achieved at the expense of accuracy

Decisions are communicated with confidence

Displays respect when presenting a counter-argument

Excels in resolving conflicts amongst peers

Show inconsistency in punctuality and attendance

Fails to attain expectations of the role

Displays an inability to multi-task

Easily grasps new concepts

Keeps accurate records

Maximizes use of time

Sets high standards for themselves and others

By using objective language you set an open and honest atmosphere for the appraisal meeting. Similarly, every time you refer back to the role description and its responsibilities or refer to supporting evidence you demonstrate that you have evaluated their performance fairly.

Remember, a successful performance management process demonstrates consistency and uniformity so that everyone knows that they have been appraised using the same standards.

Key Points

- The primary purpose of the annual performance summary is to give the team member constructive feedback on how well they have performed over the period.
- Ideally, a performance summary should consist of four sections covering goals, competencies, overall performance, and areas of improvement indicating potential training needs.
- You may need to prepare a supplementary sheet with these titles to use as an 'agenda' in the appraisal meeting if the official form is unsuitable.
- Use objective language, refer back to the role description, and refer to supporting evidence to demonstrate that you have evaluated the team member's performance fairly.

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6 Summary

If you want to conduct successful appraisals, then the importance of collecting high-quality performance data cannot be overstated. Without this data you will not have the supporting evidence needed to rate performance objectively. Leaving things until a few weeks before the appraisal meeting is courting disaster and brings into question your commitment to your team and to the whole appraisal process.

Collecting, analyzing, and collating this data are tasks that need to be undertaken throughout the performance period. Carrying out these tasks will necessitate regular performance reviews with your team throughout the appraisal period, which are vital to your relationships with them.



You also need to obtain the performance data from a variety of sources so that you can make an accurate and objective rating. These findings should be discussed regularly with each member so that issues or problems are identified early and with sufficient time to rectify them before they become serious.

If you want to explore the area of appraisals and performance management in greater detail visit bookboon.com [Premium](#) to discover more eBooks in this set.

- Principles of Performance Management
- The Appraisal Meeting
- Understanding Competencies

7 References

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