



TenStep Supplemental Paper

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Effective Appraisal Process

When it comes to performance appraisals, managers and employees agree about one thing: They hate going through them. Employees, managers and HR experts agree that fear, guilt, responsibility and resentment are the real reasons most employees dread the appraisal process.

An improvement over the original supervisor-only assessments, this method requires both employee and manager to assess the employee's ability to complete the duties and achieve the goals set forth in the previous appraisal, then compare notes.

An effective review process helps companies in three areas: evaluating and improving personnel selection and training systems; preventing wrongful termination; and increasing real employee diversity.

Good appraisals start with information from multiple sources, and they evaluate everyone.

A performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or bi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development.

Organizations use appraisal results, either directly or indirectly, to help determine reward outcomes. That is, the appraisal results are used to identify the better performing employees who should get the majority of available merit pay increases, bonuses and promotions.

By the same token, appraisal results are used to identify the poorer performers who may require some form of counseling, or in extreme cases, demotion, dismissal or decreases in pay. Whether this is an appropriate use of performance appraisal - the assignment and justification of rewards and penalties - is a very uncertain and contentious matter.

The performance appraisal process has many uses. Therefore, HR professionals should consider the following steps:

- The performance-appraisal form should reflect the strategic objectives of the company. Many organizations use a form that contains several sections.
- A results and impact section should address accomplishments related to job responsibilities, goals and projects. It is a review of past performance.
- A skills and abilities section should discuss the ways those results were accomplished. By listing the core competencies for each job classification--and for the entire organization--this section can address the kinds of behavior that are critical for success.



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Once the HR of any organization implements these 3 steps, the appraisal process becomes effective.