

Facet

Performance appraisals



need not be ordeals.



With a systematic



approach, you can make



them part of an effective



management strategy.

Of Face

Do you and your staff stiffen at the thought of having to conduct annual performance reviews?

Why is it always so difficult?

Managers and supervisors too often emulate their own

By Peter M. Tafti

less-than-perfect managers, and the performance appraisal process becomes ineffective, ill-defined, or even counterproductive. But managers can learn to understand and use performance appraisal techniques that work, helping to ease the anxiety and avoidance that usually accompany performance reviews.

In every industry, employees are recruited, trained, evaluated, rotated,

and promoted. In certain cases, they are terminated. But in many instances, performance appraisal is not even considered until an employee is placed on probation or in danger of being fired or laid off. Written and signed performance evaluations are virtually a legal requirement in almost every termination scenario.

As a result, many managers believe that written performance appraisals are done only because the personnel or human resources department requires them, and that informal, oral performance evaluations are actually a better way to review employees who are doing well.

Managers—people who are responsible for productivity, profit, and the

employees who produce the profit—share responsibility for their employees' growth, professional maturation, and development into potential managers. When employees fail, managers fail; where the staff comes up short and underutilized, managers come up short and underutilized. Managers must spend a great deal of effort on self-examination as they try to raise their consciousness of what they are doing as managers to create effective, efficient employees—or ineffective, inefficient ones.

Evaluating in a vacuum

Performance appraisal can't be discussed in a vacuum.

Learning how to evaluate and supervise a staff is as significant a responsibility as achieving productivity quotas and sales and revenue goals. The evaluation of employees is a continuous process rather than an event that happens once a year, just before a bonus, raise, or reprimand. Managers

and employees should approach evaluations or performance appraisals with confidence, as opportunities for mutual gain rather than distasteful events to be avoided.

Most people at one time or another have been subject to unfavorable evaluations. A fair degree of nervousness and apprehension accompanies the entire process. If today's managers can move beyond yesterday's less enlightened supervisors, a more fluid, open, and communicative environment can be established.

A systematic approach

Managers are busy people. They don't always have the time to be as open and responsive as they might like. But if a plan is made and consistently followed, employees may never have to be fired.

With a meeting of the minds between employees and managers, job expectations and levels of performance can be clearly articulated and

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Six Performance Appraisal Scenarios

The following six scenarios have been culled from actual experiences. They cut across all levels of employees, from clerical to managerial. Each scene will unfold with versions for before and after the switch to an "active" style of appraisals. The lesson to be learned is explained at the end of each scenario.

Scenario One

Before

Art: Peggy, come in. Sit down, sit down. Now look—I've asked you for this report now for how many weeks?

Peggy: Well, it's been . . .

Art: Too long, that's what it's been. We've been over this time and time again. Haven't I been around to answer your questions? Didn't I tell you where to look for more data? I can't understand what your problem is. Can't you ever stay in your office?

(Peggy raises her hands and shrugs in despair.)

After

Art: Peggy, come in and have a seat. When was that report due?

Peggy: Well, I'm a few days behind.

Art: I'm sorry to hear that. What difficulties have you had?

Peggy: Well, I've been making a lot of calls to verify the figures in our first two exhibits, and no one is getting back to me.

Art: I thought we discussed those exhibits a week ago, but I could be wrong. I assumed all your problems were solved.

Peggy: Oh, we did and you answered my questions about what to leave out and what to include. But you suggested getting substantiation before committing to the other figures.

Art: That's right . . . I did say that. Well, give me what you think is a reasonable date and we'll work toward that.

Lesson

Stick to the point. Evaluate performance, not the person. Play fair; let the employee answer one question at a time. Don't ask leading questions—"don't you," "haven't you," "can't you"—they won't net positive results.

Scenario Two

Before

(Art is seething with anger as he talks on the phone. Peggy is sitting

in his office listening.)

Art: Yeah, OK, by the tenth. Sure, sure. We can have it done. Parker is sitting here now. Uh-huh . . . uh-huh . . . Oh, she did? (Art looks daggers at Peggy.) She did, did she? Listen, Tom, I've been planning to have a talk with her about that. It's gone too far this time. Let me apologize for that. Have Bernie call me and I'll settle everything. I'll take care of Ms. Parker. And don't worry about it. She won't get away with this again! (Art hangs up.)

(Peggy looks shocked.)

After

Art: Yeah, OK, by the tenth. Sure, sure. We can have it done. Parker is sitting here now. Uh-huh . . . uh-huh. Oh, she did? (Art looks at Peggy and covers the phone.) We'll talk in a minute. (Goes back to the telephone conversation.) Bernie, listen—it sounds like a problem we can solve. In fact, since Ms. Parker and I are about to have a meeting, I'll make sure she gets what you need as soon as possible. And Bernie—thanks for telling me. It won't happen again. (Art hangs up.)

documented. Long before a point is reached at which an employee would have to be terminated (with a shop steward or employment law attorney in the room), the employee will already have met with the manager and realized that the best option for both parties is to begin a job search while still employed, with the understanding that time is of the essence.

Prepare for every appraisal the same way—with a plan of action. A certain amount of material, such as the employee's overall performance and areas needing improvement, must be covered. What questions might you ask yourself prior to the actual evaluation that will help keep the process focused, fair, and productive? Some suggestions:

- What results do you want to achieve from this appraisal?
- What kinds of contributions is the employee making?
- Is the employee working up to potential?

Peggy: I think I know what happened.

Art: No problem. Tell me what your next steps are.

Lesson

Don't share negative feelings about one person with another. It's not only bad manners: it can be illegal under many circumstances. Be as diplomatic as possible about a subordinate's shortcomings. Handle problems privately, not for all to hear.

Scenario Three

Before

Peggy: I don't care. It isn't fair.

Art: Yes, well, I can . . .

Peggy: You're just going to blame me because the slides weren't in order and I asked your secretary to check them before giving them to you.

Art: I know, but still . . .

Peggy: You're always pointing a finger at me. You never say anything to Jerry.

Art: I'm sorry you think . . .

Peggy: I'm always at fault, you know. You make it seem as if I can't do anything right.

Art: Well . . .

■ Is the employee clear about your expectations? (Do you know what you expect and have you made it clear to your managers as well as to the employee?)

■ What training does the employee need? Can your company provide this training in-house? (It might become a matter to bring to your human resource department's attention.)

■ What strengths of the employee can you build on and foster?

Nothing is negative or intimidating about these questions. Each person on the staff has separate and distinct needs. The questions start out general and become more specific.

Keys to effective appraisals

The scenarios in the accompanying box highlight a few typical situations that arise in performance appraisal sessions. In addition, here are six performance appraisal principles worth remembering and implementing:

Know your employee's job

Peggy: Plus, you're always telling me that . . .

After

Peggy: I don't care. It isn't fair.

Art: Yes, I understand how you could see it that way.

Peggy: You're just going to blame me because the slides weren't in order and I asked your secretary to check them.

Art: You've raised an interesting point. (She starts to interrupt and he stops her with his hand, firmly but politely.) Please, let me finish. I asked you to make sure that everything was in perfect order. If I have to double-check you on everything, something's wrong. I trust you, since you're giving the presentation, to be responsible for the details. And I'm going to continue trusting in you because that's your job.

Peggy: You . . . you're right. I should've been more careful.

Art: Next time, I'm sure you'll be totally prepared.

Lesson

Don't feel guilty about your role. You'll only hold it against the employee all the more. Be firm

description. If it has changed, don't wait six months to acknowledge it, even if your supervisors have waited.

As soon as a new ingredient, process, or responsibility is to be included, put it in writing and have a brief meeting with the employee to confirm the new responsibilities. In this way, you accomplish two things—you confirm your understanding of what the employee is doing, and you give the employee a definite sense of the new job description and what it entails. In this way your expectations are explicit; nothing is vague or assumed.

Evaluate your own performance.

This is the hardest part, because many managers blame those reporting to them when they themselves deserve the blame.

You may have adopted the same defense mechanisms. If you don't want your employees to be defensive, you can't be either. Take time to assess your own priorities, actions, and

but be courteous. Probe for an explanation, not a defense. Based on the questions you ask, you either control the meeting or you don't.

Scenario Four

Before

Art: Last year sometime, we sat down and discussed where you were going with this position. A lot has changed since then. Our jobs have turned around almost 180 degrees.

Peggy: But I'm still expected to keep all the same projects going.

Art: I know, but I don't think you're dedicated to this company. You aren't interested in moving ahead. We've done a lot for you and I just keep hearing the same broken record. I need results and I need them now!

Peggy: This is going nowhere. I need you to . . .

After

Art: It's been a while since we last discussed your performance. I'd like to apologize for that oversight on my part. But let's start somewhere. How do you feel your job has changed over the past year?

Peggy: Well, I'm expected to

responsibilities vis-a-vis your staff. This will be of immense help when you sit down with each of your employees.

Evaluate the employee's performance, not personality. This is one area in which some managers fail over and over again. Judge the person's actions; don't judge the person.

But what if it's a personality problem? Then look at how that personality shows itself. Focus on the actions and words that concern you. Appraise those actions and words without ascribing anything to the employee's personality.

For example, a person who arrives late for work should not be thought of as lazy, much less evaluated as such. Simply take the action of being late and ask the employee to adjust commuting time accordingly.

Be positive and build on strengths. Be candid but specific. Listen to the employee as well as presenting your own views.

The entire appraisal process is based on communication, aimed at encouraging employees to work toward their greatest potential. They are using their strengths, intellect, talents, and skills to accomplish a job; they are not using their weaknesses. Build on those strengths.

Structure the evaluation around strengths, not weaknesses. Be candid. Get right to the point in discussing an employee's job performance. Listen not only with your ears, but also your eyes (to nonverbal cues and clues). Nonverbal communication often says more than words. Show that you can care as well as criticize.

Communicate frequently with your employees. Set specific goals. Have a plan.

Planned, frequent communication and feedback on job performance help overcome the anxiety that arises during an appraisal. You may find that you will have less to criticize if you spend a little time up front with an

employee, setting objectives monthly, quarterly, or semiannually.

Build rapport and elicit employees' opinions and feedback. If your evaluation is to have any lasting value, you must get your employees involved in the process, not just reacting to it.

Active versus passive

How "active" you want your performance appraisal system to be is up to you and your own managers.

Appraisal forms are generally sent out once a year by the personnel department, completed by the managers and supervisors, signed by the employees, returned to personnel, and filed away, only to be reviewed in exceptional cases.

A better way is for the company to request that managers complete the forms on their employees in February, and then again in September. Conducted twice a year, performance appraisals will be perceived less as a necessary evil and more as something

keep all the same projects going and yet I feel pressure to move and grow with the department.

Art: It sounds like we owe you a new job description, because I've sensed that you've been feeling this way for a while.

Peggy: A job description would really help. That way we'd both know which direction I should take, because right now, frankly, I'm confused and I'm doing the jobs of two people.

Lesson

It's been a year since these two "sat down and talked." Is it any wonder that they have a communication problem? Evaluations are best held once a month, or at the very least once a quarter. Managers must find the time as often as possible to share their ideas of their employees' performance with them.

Peggy's job appears to be changing. That's a clear sign for a discussion about her job description. Discussion of an employee's job description is easy to overlook but critical in any proper employee assessment. What are the employee's title and duties? How will the results be measured?

Art attacks Peggy's personality—his comments about her dedication and interest are a personal assault. He need not have said it that way. Art needs results but doesn't say what results he wants, and then insults her opinion by calling it "the same broken record."

Scenario Five Before

Peggy: I understand you want to discuss my performance. I have some thoughts and some questions I've been meaning to talk to you about.

Art: You should have thought about that earlier in the year. It's too late for excuses now.

Peggy: I see that you've already filled out the performance appraisal form.

Art: That's my role as your manager. Any problems with that?

Peggy: Well, no. It's just that I've been working hard in several areas, but I've heard through the grapevine that you're not pleased with my work.

Art: That's what this meeting is all about. I'm going to set the record straight.

Peggy: I wanted to let you know my side of the story before the appraisal became a matter of record.

Art: That's not even open for discussion. I have made my decision.

After

Peggy: I understand you want to discuss my performance. I have some thoughts and some questions I've been meaning to talk to you about.

Art: Yes, I would like to talk to you about how you've been doing. But first I want to tell you that I've noticed how hardworking you are. You're in early; you leave late, and you're always around, willing to pitch in and help the others. Believe me, that's appreciated.

Peggy: That's good to hear. I actually thought that you weren't pleased with some of my accomplishments.

Art: I'm more interested first in hearing what you feel good about. Let's start there and then we can talk about my observations. Why don't you tell me what you think you've handled well and why?

beneficial. Instead of demoralizing, they will help build rapport and esprit de corps among your staff.

Two things are achieved by using an active instead of passive performance appraisal program.

In an active program, the appraisal form becomes a document by which performance can be monitored; any corrective action that is required can be taken and reviewed with the employee as the need becomes apparent. Appraisal becomes a continual process of giving and receiving feedback; that makes it easier and more effective.

Second, you need to know who your best people are. You can use part of the appraisal form to indicate who each person's successor might be and, in turn, whom that employee might succeed. That way, you are in control when your manager comes to you and says, "I need a supervisor with such-and-such background to replace Beverly," or "Who do we have in line

for promotion, now that Khalid has resigned?"

With properly maintained information on your people, you will no longer be at a loss to recommend someone to fill an opening.

While a performance appraisal system does not replace any informal system of communication that may occur between managers and staff, it allows immediate access to information on the key players. It also alerts the manager and human resource professionals to those employees who may be risking termination if they do not improve their performance. Instead of reacting to a manager's request to terminate an employee, the personnel department can train or transfer the employee, or in some way alert the underperformer to shape up or start looking.

Again, the idea is that the personnel specialists can initiate rather than react. They won't have to wait for a phone call to be alerted to a problem.

Conclusion

Performance appraisal forms require follow-through. All employees are not going to be rated "outstanding" across all categories. The manager's job is to set standards of improvement and maintain communication with his or her staff so that weaknesses are worked on and improved. In this way a performance appraisal system is tied to the company's succession and management development plans. It is not simply an employee report card conducted in a vacuum.

Enlightened self-interest is behind every manager's use of performance appraisals as a tool for effective supervision. In fact, more and more senior-level evaluation forms are rating managers on how they develop, nurture, and strengthen their talent pool. That means that those same managers will have to learn to become appraisal-friendly—or risk being left behind as others are promoted around them. ■

Lesson

Build rapport and show support for the employee's contributions. Unless they have committed crimes against you or the company, employees should never feel as if you are judge, jury, and executioner when it comes time to evaluate their job performance.

Elicit the employee's opinion. Don't present him or her with a fait accompli. Try to give the employee a chance to review his or her own progress. Let the employee know that while you care about performance and achievement, you care about him or her, too.

Scenario Six

Before

Art: (Talks into the telephone.) Bernie, you're always complaining about Peggy. She never gets this to you on time; she never gets that to you on time. Take a vacation, buddy. Listen, I'll call you back soon.

(Peggy walks into his office.)

Peggy: Time for my evaluation. What did Bernie have to say?

Art: Oh, you know him. Can't

say anything nice about anybody. It's nothing really.

Peggy: That's good.

Art: The dinner party last night was great. My wife and I enjoyed ourselves. Your husband's a great chef. Listen, we don't have to worry about this appraisal form. It's just something the personnel department makes us do. I don't even know what all these key criteria categories mean. I'm giving you all 'A's anyway!

Peggy: Thanks!

After

Art: Bernie, this isn't the first time you've called her work to my attention, so here's what I'll do. I'm going to see Peggy in a few minutes. I'll discuss in principle what you've told me and one of us will get back to you. Agreed? OK. Thanks for telling me. Bye. (Waves Peggy into his office.)

Peggy: Time for my evaluation. What did Bernie have to say?

Art: Well, it'll be better if we talk about it in perspective. Let me start at the top of this appraisal form—my notations are in pencil—and talk about quality and quantity of work produced. Based on what I've seen, I think

you've done well. Of course, there's always room for improvement, but overall, an outstanding three months, Peggy. What do you think?

Peggy: I'm pleased that you think so.

Art: Now, one area to work on—and this is where Bernie's call comes in . . .

Lesson

There are actually two lessons here. The first is not to fall for the "halo effect," namely, letting one positive attribute overwhelm everything else about a person. Be positive, but don't sacrifice objectivity. Perhaps the employee is "perfect," but in every category? Not likely.

Second, appraisals are not done to keep the personnel department happy. Performance evaluations are done to keep employees informed, motivated, and as productive as possible. That's the only reason for performance appraisals. The best thing you can do is forget that another department is involved in the process. Make the appraisal process one of *your* priorities. Handled properly, it will never fail you.