



Best Practices for Employee Performance Appraisals

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INTRODUCTION TO EMPLOYEE PERFORMANCE APPRAISALS

Let's start by reviewing the basics of employee performance appraisals. A performance appraisal is often called a performance evaluation or performance review, and it is a way to provide employees with feedback, discuss their strengths and weaknesses, and work with them to set goals. Employees can also use this time to ask questions and engage with their managers about their performance.

Although this normally occurs once a year, more companies are finding regular, informal feedback to be even more effective. Consider checking in with employees weekly or bi-weekly — it doesn't need to be a formal or lengthy meeting!

You can also structure more formal reviews on a monthly or quarterly basis. Employees don't have to wait one whole year to hear about their current performance — instead, address any concerns right away and work with them to improve regularly.

WHY ARE PERFORMANCE APPRAISALS IMPORTANT?

Holding consistent performance reviews and providing feedback to your employees will offer many benefits to the individuals involved, and the organisation as a whole.



Employee Benefits

Receiving feedback from the management and other team members allows your employees to grow and improve on a consistent basis. Additionally, it allows them to have candid conversations about their goals, accomplishments, and development areas they would like to focus on. Talking about their accomplishments and what they look forward to working on can help them to re-engage and boost their productivity.

Organisational Benefits

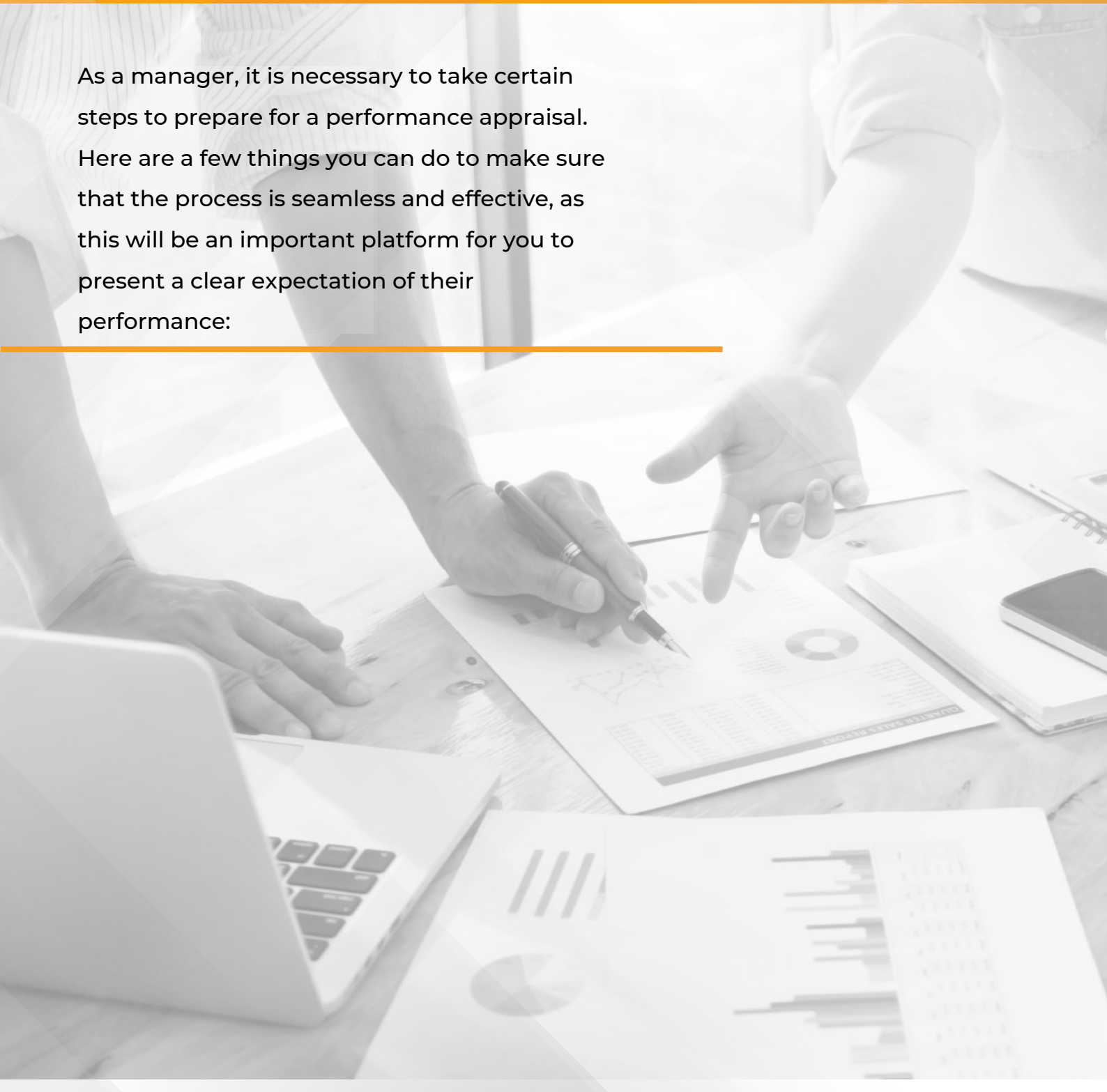
There are many benefits with organisations as well, including finding opportunities for high-performing employees. Implementing performance appraisals can help managers to identify strengths and weaknesses so that they can better delegate tasks and develop training programs. By finding the right person for each job, work efficiency can be improved.

Performance reviews can help employees build relationships with their managers and encourage them to work towards a promotion or a new role. Likewise, they can receive constructive criticism to learn about areas they can improve on. Employees can also use this time to ask for clarifications about their role, the steps they need to take to obtain a promotion, or even negotiate a raise.



PREPARING FOR A PERFORMANCE APPRAISAL: MANAGEMENT

As a manager, it is necessary to take certain steps to prepare for a performance appraisal. Here are a few things you can do to make sure that the process is seamless and effective, as this will be an important platform for you to present a clear expectation of their performance:



1. Set Clear Expectations

A performance appraisal should never come as a surprise to your team. Always set clear expectations regarding what you will discuss and how your employees will be evaluated. This will help to avoid stressing out your employees and help them to mentally prepare for the session.

If possible, give them a copy of their written evaluation before the meeting. This will give employees time to review it and ensure that they are well prepared for anything you bring up.





2. Provide Specific Examples

There is nothing more frustrating to an employee than getting feedback that is not supported by examples. How can they improve if you do not give them specific instances of when the problem occurred?

Giving them examples of when they exceeded expectations is beneficial too, because it shows them what success looks like. They will be more likely to apply these strengths in the future, or in their next assignment(s).

When you discuss their goals, make sure to set measurable standards in place to evaluate their performance. Employees should know what action to take to achieve these goals.

For instance, if you want them to improve on their communication skills, provide them with clear examples of what needs to be done, while providing necessary training where needed.

3. Get Feedback from Other Team Members

Managers often have several employees they are responsible for, so it is unreasonable for them to know everything about their performance.

Be transparent with your team members that you will be collecting feedback from people they work with, so they will not be taken by surprise during the performance appraisal session.

Ask other team members and supervisors to provide feedback anonymously and confidentially, so you can verify and support your assessment.



PREPARING FOR A PERFORMANCE APPRAISAL: EMPLOYEES

Managers aren't the only ones who need to prepare for a performance evaluation — employees should too! Make sure to review your accomplishments, set new goals, and prepare questions ahead of time so that the review goes off without a hitch.



1. Take Time to Review Your Accomplishments

You have worked hard throughout the year to complete projects and tasks assigned to you, and your manager might not know all the details of your successes. Make a list of your accomplishments, such as how much money you have saved the company or new skills you have

learned, so you can be prepared to discuss them.

If you are planning to ask for a raise or a promotion, this is a great way to set the stage and show your supervisor that you can handle the added responsibility!





2. Set New Goals

Before you walk into your performance review, you should always have new goals that you would like to discuss with your manager. The goals should be ambitious, yet realistic since you want to show that you've made progress towards them.

Here are a few examples:

- ▶ Learn a new skill by the next review
- ▶ Take on a project that you are passionate about
- ▶ Work on improving an existing process
- ▶ Prepare yourself for a promotion or a new role

Not only will setting new goals give you something to work towards, but it will also show your manager that you are working hard and striving to improve.

3. Prepare Questions About Expectations and Performance Metrics

Prepare some questions that you would like to ask regarding what is expected of you and why. It is also helpful to clarify what metrics managers use to evaluate performance so you can track your progress towards those goals.

You should also ask about the company direction and overall strategy, and clarify with your manager what you can do to support the company's growth.

Similarly, when you ask questions such as what is needed to get a promotion, you can compile concrete evidence to demonstrate why you deserve it.



COMBATting MISCONCEPTIONS ABOUT PERFORMANCE APPRAISALS

There are many misconceptions about performance appraisals, so let's take a moment to address them.

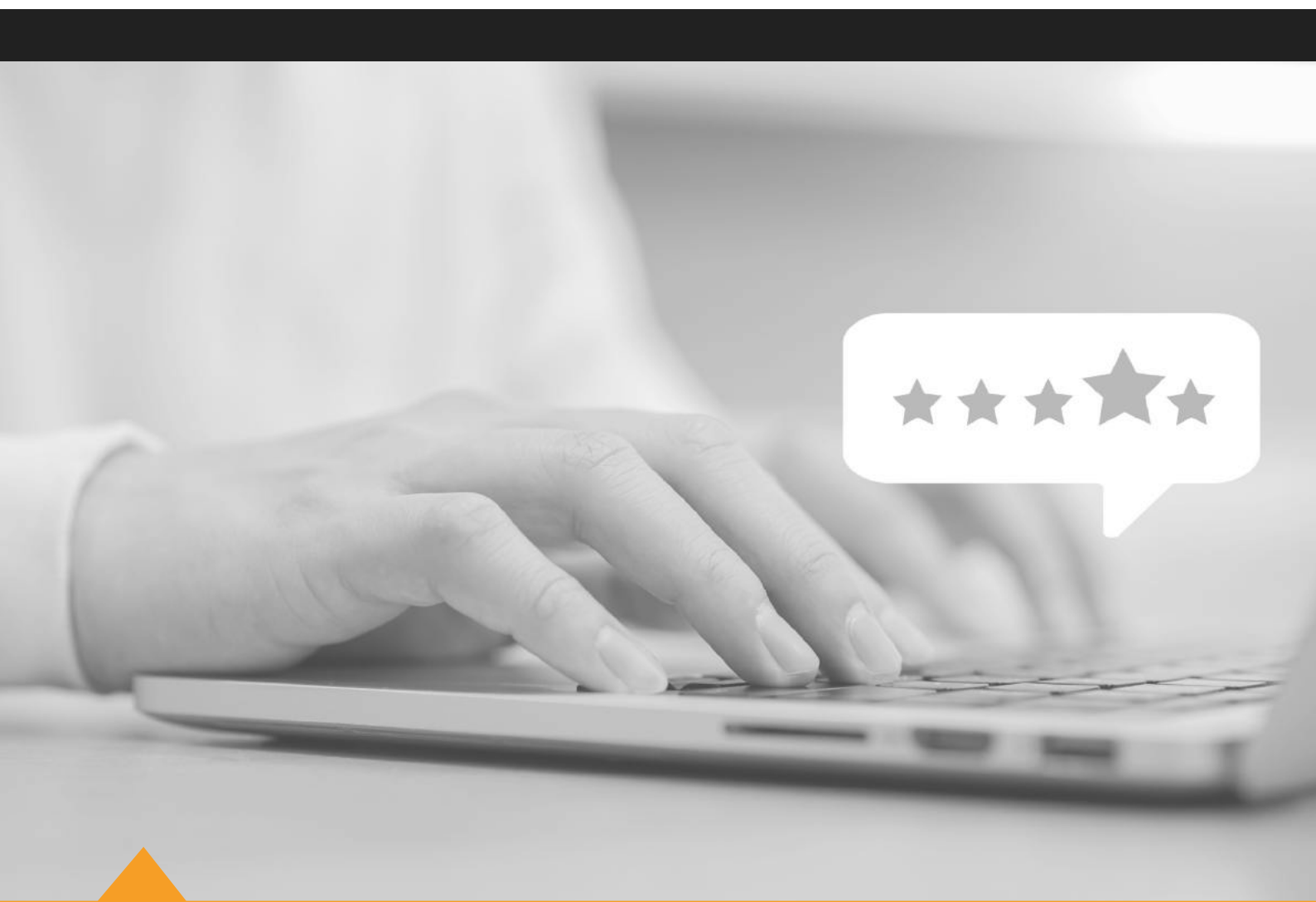



Reviews Don't Require Preparation

For one, many managers believe that they can conduct evaluations on the spot, but that is usually not the case. The same thing goes for employees — it is vital to prepare beforehand if you want the process to be beneficial and effective.

Likewise, reviews shouldn't just be happening once a year, so feedback must be compiled throughout the evaluation period.

You should continuously file your feedback via email or a useful HR performance management tool, so both parties do not forget what was discussed at the start of the year.





Compensation is the Focus of Reviews

Salary and compensation are not the only things that your review should focus on. Sure, you can take some time to discuss pay raises or benefits, but you should not neglect other professional development areas either.

Salary increases motivate employees, but so does feedback about performance, coaching on areas that they can improve, and providing development opportunities to enhance their skills.

You Only Need Them Once a Year

We hinted at this a few times already, but it's so important that it deserves to be stated one more time. You should not limit performance appraisals to once a year, since that can cause you to focus on only recent events rather than everything that occurred over the last 12 months.

Providing regular feedback throughout the year, even if it's done on a less formal platform, is much more effective. It will encourage continuous employee development and prevent your employees from dreading an annual review because they already know where they stand!

