



Appraising Employee Performance

Taking time to review your employees is important to their success and the success of your company. Follow these tips for developing effective appraisals.

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Business owners have been evaluating the performance of their employees for as long as businesses have existed. But not all entrepreneurs take the time to review their employees, and even when they do, the reviews are often done in a haphazard way or on an irregular basis or are instigated only after a negative action on the part of the employee. These type of encounters are rarely productive because they usually only afford the boss an opportunity to 'get something off their chest'.

A performance appraisal can be a powerful tool for any entrepreneur who wants to get the most out of every encounter with their employees. So why is this process important and how can you best use these sessions to your advantage?

First, a regularly scheduled feedback session, whether done quarterly or annually, gives your employees a planned and anticipated opportunity to address key issues with you. It also provides a time for you to interact with your employees one on one to evaluate their strengths, limitations and growth potential. Third, this conversation

serves as the time to discuss potential financial rewards and promotions, which can be a source of increased job interest on the part of your employees. If promotion isn't an option at this time, you can outline the knowledge, skills and abilities necessary for advancement and future potential with your company. This 'career pathing' information can help both you and your employees gauge just what's needed to move on to the next step, responsibilities, job level, within your company.

So how do you start the performance appraisal process? The basic tool and source of information for the interaction is an employee's job description. Unfortunately, in many jobs, this document either doesn't exist or only vaguely describes an employee's current job. Therefore, before proceeding with the performance appraisal interview, you need to sit down and develop a job description that accurately reflects an employee's responsibilities. The basic parts of this document are: the job title and responsibilities, reporting relationships, financial responsibilities (if any), usual and customary job

requirements and activities, and performance standards.

Armed with this data, you have a foundation, format and criteria for creating the performance appraisal tool. At least one week prior to the interview, you need to provide the employee being reviewed with their written job description and a blank copy of the performance appraisal questionnaire. If the latter doesn't exist, then the job description can serve as the skeletal outline for the interview.

During the review, which will be a two-way exchange of information between you and your employee, the

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following tips need to be followed to help ensure an effective meeting:

- The purpose of the interview is to have an open dialog between you and your employee. To achieve that goal, you should begin by trying to put the employee at ease. Chances are, both you and your employee may be anxious, so starting off with small talk or generalisations may lighten the mood.
 - Allow the employee to share their feedback before you volunteer your perspective. That way, the
- was acceptable or unacceptable' or 'Your behaviour was helpful or not helpful' are far superior to stating, 'You really messed up or 'You failed to meet the deadline.'
- Similarly, using specifics as opposed to generalisations is also beneficial. In other words, avoid using general terms such as 'You're doing a good job' or 'I know you can do better,' or 'Make a lot of widgets.' These terms are so general that they can't be quantified, measured or evaluated. Instead, try these more specific and measurable

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employee won't feel defensive about stating his or her position. Remember, start off on a positive note.

- The goal isn't to 'beat up' on the employee, even when the latter has made errors. No matter what comments you make, they need to be couched in as positive a tone as possible. Sticking to action-oriented, behavioural terms as opposed to evaluative, judgmental, emotional terms is preferable. For instance, stating that 'What you did
- expressions: 'You do an effective job when you don't take 30-minute breaks' or 'I know you can succeed by making both the right and the left sides equal' or 'Make between 35 to 55 widgets every hour.'
- Avoid comparing the interviewee with either yourself or other employees. In other words, avoid making these statements: 'When I was in your position, I didn't have those problems' or 'Maria doesn't make the mistakes you're making.'
 - Balance the negatives with the



positives, especially by starting with a positive statement. When the employee has done something wrong, he or she will more likely hear and understand your statement if you start on a positive note. By balancing the negative with the positive, the employee will see that although he or she has erred, the entire situation isn't negative, that is, unless the entire situation is negative! Then follow up with a statement that looks toward a resolution of the problem: 'Here's how I suggest you improve' or 'How do you think you can improve?' or 'How can we work this out?'

- Make certain that an appropriate amount of time is spent on this last phase of reaching or planning for resolution. If not, the employee will most likely commit the same or similar errors. Plus, if you've discussed resolution or are helping the employee reach a resolution, the employee will most likely view you as someone with knowledge and skills, someone who is open to helping them resolve issues, and--hopefully--someone whom he or she can come to talk with and trust.

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