

UNDERSTANDING THE IMPORTANCE OF APPRAISALS

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Appraisal systems are often misunderstood and mismanaged. Appraisals are central both to human resource management and performance management. Understanding their role, objectives, benefits and purpose is important to all employers. Careful preparation and understanding is required if the appraisal process is to be successful, worthwhile and relevant.

Appraisal systems exist to improve organisational efficiency by ensuring that individuals perform to the best of their ability, develop their potential, and earn appropriate reward. This in turn leads to improved organisational performance. Appraisals have three main purposes. These are often misunderstood. The first is to measure the extent to which an individual may be awarded a salary increase compared with his or her peers. This is the reward review component.

The second purpose of an appraisal is to identify any training needs and, if appropriate, to provide training and development to enable an individual to help the organisation to achieve its objectives. This is the performance review component. Finally, appraisals are also important to aid an individual's career development by attempting to predict work that the individual may be capable of in the future. This is the potential review component.

Employees often question the value and usefulness of the time and effort taken up by an appraisal. However, it establishes key results that an individual needs to achieve within a time period while also comparing the individual's performance against a set and established standard.

The employee is not the only beneficiary - the organisation benefits through identifying employees for promotion, noting areas for individual improvement, and by using the system as a basis for human resource planning.

CONDUCTING THE APPRAISAL INTERVIEW

There is often misunderstanding as to how an appraisal should be conducted. Appraisees sometimes perceive their annual appraisal as a threat. However, this can be overcome if the appraisal system is well-constructed, and seen to be fair to the

individual and consistent across the organisation. A typical negative response to appraisals is that they are confrontational.

This is often due to a lack of agreement on performance or poor explanation by management. Additionally, it is sometimes seen as a judgement - a one-sided process based entirely on the manager's perspective. At the other extreme it is simply regarded as a chat.

Perhaps the greatest problem with appraisals is that they are often regarded as a nuisance. At best, appraisals may be considered an annual event, the results of which quickly become out-of-date. Moreover, some may view the whole process as bureaucratic - a form-filling exercise devised to satisfy the organisation. Consequently, the main purpose of an appraisal - that of identifying individual and organisational performance and improvement - is forgotten.

Basic to the successful application of appraisal systems is the appraisal interview. A formal appraisal interview is an integral part of appraisal and performance management. The interview must be organised properly and carefully. Prior to the interview, the appraiser, who should be the immediate supervisor, must prepare the correct and relevant documentation.

This comprises the job description, a statement of performance or appraisal form, and a record highlighting the employee's performance. Other relevant documentation used at an appraisal can include peer assessments, if appropriate, comments from clients and customers, and any self-assessment forms issued to the employee prior to the interview. Finally, the individual's employment file should be referred to.

This should contain notes on the employee's general personal attitude and any disciplinary issues.

APPRAISAL METHODS

Many writers and practitioners in people management take one of three basic approaches to the appraisal interview. The so-called tell and sell method involves the appraiser explaining how the assessment is to be undertaken, gaining acceptance for the evaluation and improvement plan. Interpersonal skills are important with this approach to motivate the appraisee.

An alternative approach is the tell and listen method, where the appraisee is invited to respond to the way that the interview is to be conducted. This requires counselling skills and careful encouragement to allow the appraisee to participate fully.

Finally, there is the problem solving method, where a more helpful approach is taken which concentrates on the work problems of the appraisee, who in turn is encouraged to think through any problems. After the interview, both parties should agree on any

actions to be taken, an agreed action plan on improvement, and methods of monitoring progress and appropriate feedback.

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