
Commentary

The Nuts and Bolts of Performance Appraisal

The following commentary is not written as an academic exercise or as the final word on the performance appraisal process. It is less theoretical and more practical. After presenting dozens of workshops on the subject, I have determined that managers simply want to learn the "nuts and bolts" of what might be an extremely complex experience.

There is no magic wand that will transform the evaluation procedure into a routine task. It cannot be computerized, homogenized, or packaged. Employee evaluation is personal and cannot be neutered. Work is an extension of life's goals and objectives; it is a product of training and education. It rewards and punishes. It's serious business. And because it is so serious, your attention to each individual's performance must be top priority.

Why Evaluations?

It's a nasty job, but someone has to do it, right? You spent many years of training and education in order to become technically skilled. Now you are a director, manager, supervisor, or whatever title is bestowed upon you that defines your role as judge and jury of employee competence. And it is time-consuming. You probably didn't realize that, while you were diligently working eight hours a day, you would be promoted to supervisor and work twelve! In addition, not only are your technical skills necessary in order to evaluate others, but so also is your judgment of character, sense of fairness, and analytical ability as it applies to the human condition.

You can't fight it, or pretend it isn't there. Evaluation of employee performance is necessary for you and your employees. You need it for many reasons:

—Evaluations document what you already know: the employee is a winner or a loser.

—Evaluations are your administrative tools for personnel actions such as salary increases, termination, promotion, demotion, transfer, or layoff.

—Evaluations assist you with training needs of the employees.

Employees need (and want, by the way) evaluation because:

—Evaluations are formal accounts of progress or lack thereof.

—Evaluations attest to the supervisor's knowledge of just

what the employees are doing.

—Evaluations give the employee a chance to spend precious time with a busy supervisor and an opportunity to strengthen communication.

These lists are certainly incomplete but do provide testimony to the company's requirement of an ongoing employee appraisal program. The word "ongoing" is significant. You might define it as the annual review. Wrong! Your evaluation of an employee begins at the employment interview. You review the applicant's education and work history; you appraise his or her demeanor, attire, and answers to your questions. Of course, you document everything. The employment interview is your first evaluation. It should be maintained in your *private* file on the selected employee. In addition to those items that become part of the employee's official record, the information gathered during the employment interview will be helpful for research purposes, particularly in selection and training procedures.

When to Evaluate

If there is a company policy of new employee probation, this is the time for especially diligent care in observing and documenting performance. Although you may not be required to meet with the employee to discuss performance during this period, it is highly recommended. The new kid on the block needs to know how well, or not so well, he/she is doing and where improvement can be made. Unless you can be completely fooled, or you are not paying attention, the first three months of employment are an accurate indicator of future performance. If the employee is less than satisfactory during this period, and all possible assistance has been given, the chances are slim that things will improve. Discharge might even be a welcome relief for you and a benefit to the organization. The employee may not be happy with you, her/his job, or the company either. A change might be needed so that he/she could find a niche somewhere else. Unless there are mitigating circumstances, extension of the probationary period only prolongs the agony. The success rate of extensions is minimal and most often counterproductive. Make a clean break. If you give a reason for discharge to the employee, stick to the performance facts that are easily documented and could be defended should litigation ensue.

Of course, evaluation extends beyond probation, usually on a daily basis. Your private file should contain cumulative information that will assist your official performance measurement

of the employee. Hearsay can be documented and saved but should not be a factor for measurement. Only observable facts are valid. Hearsay can be discussed with the employee and, if a wrongdoing is admitted, the incident becomes record. The employee should be so informed.

If you do maintain a private file, don't make it general knowledge. The employees might feel as if "big brother is watching." The private file should contain the positive as well as the negative. For example, you notice that on a particularly hectic workday Employee X, when finished with her/his assignment, offers to assist a colleague. Document it! When this is mentioned during the performance feedback interview the employee will be elated. It might also be a soothing balm if a less than a satisfactory review follows.

Develop Confidence and Control

Collection of pertinent performance information will give you more confidence as you approach the evaluation process. It is only those that are ill-prepared who dread the performance appraisal. Continual communication with employees regarding their work gives you credibility and respect. A simple "How are things going today?" may elicit important information you would have never known or would know too late. The supervisor who does not communicate with employees at least once a day will have a difficult if not awkward evaluation feedback session.

There is information that you would rather not know because it's just going to make you work harder. Rarely is there "comfortable" information: that which allows you to sit back and daydream. Your employees are *the* most valuable resources for the credible accounting of their work and often are a measurement of your own performance.

State-of-the-art data collection—talking with employees—equips you with a line of control that is better known as work insurance. Work insurance allows you to document the productivity of your department efficiently, adequately train employees, and develop their potential with ease. It all happens because you have employees to whom you pay attention, for which they reward you. They deserve that special time you put aside to review their performance.

Evaluation Factors

There are hundreds of types of evaluation formats and many more factors to evaluate. There are six categories that I feel summarize the employee's job performance:

- Job Knowledge
- Job Performance
- Dependability
- Judgment
- Cooperation
- Attendance

There may be numerical rating scales or qualitative assignments such as "outstanding," "needs improvement," etc. It's all a matter of institutional policy. What is important is that you know exactly what you are rating and why. Since the company could not possibly have a performance appraisal format for each individual job title, it is up to you to develop a measurement of performance for each factor for every job

category in your department. Employees could be involved also. Who knows their job better? They could also be involved in assisting in writing their job descriptions or standards of performance.

Generally, the definitions are simple:

—Job Knowledge: *How well does the employee know the job* including the theoretical and practical aspects of the occupation or particular work skills; the familiarity with company and department policies; practices and procedures as they relate to his or her own work; knowledge of equipment used; methods and "tricks of the trade."

—Job Performance: *How well is the work performed* including the adherence to the department's standards; effectiveness of results; the necessity for redoing work; attention to work details; the need for work to be checked.

—Dependability: *How well does the employee apply him/herself while on the job* including utilization of time; promptness in meeting work schedules; amount of supervision required; readiness and availability for work assignments; work load.

—Judgment: *How well does the employee think through a situation, or problem* including the degree to which the assignment, situation, or problem is analyzed into its logical components, and the method of approach selected.

—Cooperation: *How well does the employee work with others* including sincerity of personal contacts; appreciation of others' problems and needs; acceptance of instructions and directions; cooperation in completing assignments; acceptance of bona fide criticisms; degree of team spirit, courtesy, tact, diplomacy, and fair play.

—Attendance: *What is the employee's attendance record* including punctuality; patterned absences (Mondays, Fridays, days before or after a holiday); leaving work early; extended breaks or lunches.

The descriptions above are proposed as samples only. The supervisor can be creative and apply the generalities to the particulars.

The rating of each factor requires your complete attention. It can be made simpler if you develop criteria for measuring performance standards. The following is a very general numerical rating scale, which could be augmented to relate to a particular job category:

Job Knowledge

- 0—Inadequate knowledge. Lacks minimum knowledge of routine work. Very weak on fundamentals.
- 1—Requires considerable assistance. Knows routine work only. Is frequently stalled when something unusual happens. Limited knowledge of many basic fundamentals.
- 2—Adequate grasp of essentials. Requires some assistance. Learns new skills without difficulty and is able to retain information.
- 3—Knowledge thorough enough to perform without assistance. Generally understands difficult work. Keeps up to date on almost all new developments in the field.
- 4—Exceeds requirements for position.

Timing the Evaluation

The performance appraisal form should be completed at a time when you are relaxed and free of distractions. In most cases this is a take-home job because the workplace makes too many demands on your time. A pencil should be used just in case your evaluation is altered after you have spoken with the employee. The form can then be typed or written in pen before signing.

There might be other timing circumstances that would bias an evaluation. This week you have a particularly difficult working relationship with Employee X who otherwise has a satisfactory record. This is *not* the ideal time to evaluate Employee X. Wait until things cool down and explain this to the employee, who is probably waiting anxiously for your review.

If the evaluation is tied to the compensation plan, an employee's present financial plight might also present a less than honest review. Your experience of judgment and fairness in this case is of utmost importance. Is it wise to allow an employee to believe (and they usually don't) that she/he is doing a satisfactory job when indeed the work performed is less than adequate? Is it fair to other quality workers to reward the incompetence of one? The decision is yours as are the consequences.

Preparing for the Feedback Interview

Upon completion of the evaluation form, an interview should be scheduled with your employee. It must be scheduled at a time when you will be free to devote your full attention to the employee. Telephone calls and other interruptions violate the seriousness of the review. This is the employee's special time with you, perhaps the only scheduled time in a year. Needless to say, the interview should not be conducted in the middle of the office. Nor should it be done over lunch. This is a business event and absolute privacy is required.

Although bothersome, details are necessary; even to the placement of furniture. There are several schools of thought on just where a manager's desk should be placed: Between the manager and employee? Against the wall, allowing the employee to sit to the side? No desk? Every "expert" has a hard-line opinion. I recommend that you sit where you feel comfortable and where you and the employee can communicate effectively. Sitting too close to the employee could invade her/his space and inhibit interaction. If the interview is expected to be somewhat volatile, the desk placed between you and the employee might be more appropriate.

The Feedback Interview

Space allows for only just a digest of information on the appraisal interview. The feedback interview process is the catalyst that can determine the employee's progress in the organization and in work relationships. If done sloppily, results for even an outstanding employee could be critical. Carefully orchestrate the procedure by preparing explanations of your ratings and anticipating the employee's reactions. Based on your knowledge of the employee and the type of evaluation you have made, you will generally be able to predict how the employee will react. This prediction is then necessary to plan how you will cope with these reactions. Following are some examples of ways in which employees react to evaluation of their per-

formance and possible methods of handling the situations.

Employee Disagrees with the Evaluation and Can Document Reasons Why. In this situation, the employee reacts constructively and unemotionally. You should counter by being equally objective. Remember, the employee could be correct and your rating might have to be altered. Don't be defensive. Ascertain the facts on which the disagreement is based and make arrangements to check them out. Completion of the review can be scheduled for a future date.

Employee Agrees Completely and with Suspicious Readiness. Here the presumption is that the employee either does not understand the evaluation or is suppressing objections. You should solicit feedback from the employee by requesting that they restate the performance situation and summarize the discussion. If feedback is accurate, further probing is necessary to make sure that the employee's agreement is genuine and not merely a device for flattering you and distracting attention from the need to improve.

Employee Loses Temper, Becomes Emotional, Angry, or Abusive. In this case, the best strategy is neither to argue nor to show disapproval. Hear the employee out and then suggest that the session be suspended until a later date. In the meantime, the employee should be assured that the unseemly behavior will not affect the record.

Employee Is Passive and Unresponsive. This is the most difficult and uncomfortable type of response with which to deal. Your role is to ascertain why there is so little response. Awkward silences are intimidating but necessary in order to give the employee time to think and respond. One way to break the ice is to start off by complimenting the employee on the satisfactory aspects of his or her performance. If the results are still the same, make a point to continue communication with the employee on a regular basis. This might develop a bond which will provide the employee with more confidence in his or her relationship with you.

It is important to note here that the session thus far has been strictly oral. The employee has not been given the completed form. It is important not to overload the employee with information all at once causing a loss of concentration on the subject under discussion. If you retain the form, you can choose the order in which to cover the performance factors and thereby create the most favorable interview climate. Also remember that you might have to change some ratings so it is best that the employee receive the form in its final stage. It can then be signed and returned to you.

There is no right or wrong way to approach the order of discussion. Some supervisors prefer to cover the good first and bad last while others do it the opposite way. Some like to sandwich critical points between two good points. The method depends on your style and the personality of the employee.

If all goes well, conclude the interview by summarizing the discussion. The summary of important points will provide the employee with an overview of his or her performance and will set the stage for concluding the session. Strive to create the impression that the interview has been beneficial to both parties and that you will do everything possible to assist the employee in the future. Because the appraisal cycle will begin again at

the close of the interview, the application of good human relation principles is the best follow-up technique.

Summary

Too few institutions provide management development in the area of performance appraisal techniques. The band-aid approach appears to be the most common method of dealing with performance appraisal problems. You are given the forms accompanied by a brief description and expected to evaluate your employees. It is assumed that, because you are a supervisor, you possess an unique innate ability to perform the task competently. Nothing could be farther from reality.

Performance appraisal is an "art form" that can only be learned. Workshops and seminars are helpful, but employers are often unwilling to approve attendance and pay the fees due to cost containment measures. Your local library has volumes written on the subject. Just be suspicious of "quick fix" methods or faddish theories that will only tend to confuse you and the employees. Your employees end up being guinea pigs, with little significant personal involvement or improvement.

Select a method that best suits your management style and makes you comfortable. It should also expedite the results you want. In every evaluation process there should be three winners: you, your employee, and the department.

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ADDITIONAL READING

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