

Dattner Consulting, LLC

Performance Appraisal Systems

Performance appraisal

Setting goals for the appraisal system

Developing criteria for successful performance

Creating metrics for evaluating performance

Participants

Considering the timing of feedback

Organizing logistics for the report and meeting

Giving candid and constructive feedback

Following up to ensure that the system works

Setting goals

- **Setting goals**
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Well-designed Performance Appraisal systems:

- Recognize and record an employee's contributions
- Give employees useful performance feedback
- Enable a more effective and equitable reward system
- Develop the professional capabilities of employees
- Communicate the organization's values and culture
- Help the organization make evidence-based, legally defensible personnel decisions

Setting goals

- **Setting goals**
 - **Developing criteria**
 - **Creating metrics**
 - **Participants**
 - **Considering timing**
 - **Organizing logistics**
 - **Giving feedback**
 - **Following up**

Evaluation

- Prediction of future performance based on past performance
- Retention decisions and succession planning
- Compensation

Development

- Assessment for training and development
- Career planning

Developing criteria

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Criteria should be:

- Aligned with organizational goals
- Relevant to given roles
- Specific and measurable
- Under employees' control
- Understood and accepted by participants

Developing criteria

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Criteria can be based on:

- Quantitative and/or qualitative factors
- Competencies and/or performance
- Effort and/or results
- Frequency of behaviors

Creating metrics

- Setting goals
- Developing criteria
- Creating Metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Ratings can be on the basis of:

- General or specific standards or expectations
- Improvement on past performance
- Rankings or comparison to others

Creating metrics

- Setting goals
- Developing criteria
- **Creating Metrics**
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Rating scales differ in terms of:

- Definition of ratings
- Number of possible ratings
- Presence or absence of a midpoint

Creating metrics

- Setting goals
- Developing criteria
- Creating Metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Types of rating scales:

- Graphic Rating Scales
- Ranking
- Forced Distribution
- Behaviorally Anchored Rating Scales (BARS)

Participants

- Setting goals
- Developing criteria
- Creating metrics
- Participants
 - Considering timing
 - Organizing logistics
 - Giving feedback
 - Following up

Reviewees can be:

- Everyone in the organization
- Assigned by managers
- Selected by level
- Selected by division or department
- Self-selected

Participants (Continued)

- Setting goals
- Developing criteria
- Creating metrics
- Participants
 - Considering timing
 - Organizing logistics
 - Giving feedback
 - Follow up

Reviewers can be designated by:

- Manager
- Human Resources
- Reviewee

Participants (Continued)

- Setting goals
- Developing criteria
- Creating metrics
- Participants
 - Considering timing
 - Organizing logistics
 - Giving feedback
 - Follow up

Reviewers can include:

- Reviewee
- Manager
- Peers
- Subordinates
- Clients or customers

Considering timing

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Performance can be appraised:

- After each project is completed
- After a milestone is reached
- Quarterly
- Semi-annually
- Annually

Organizing logistics

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Data can be gathered by or in:

- Written surveys
- Intranet or internet
- Individual discussions
- Group meetings

Organizing logistics

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

The process can be coordinated by:

- Employee
- Manager
- Human Resources
- An outside vendor

Giving feedback

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Feedback reports can include:

- Attributed ratings and comments
- Anonymous ratings and comments
- Statistics and comparisons
- Weighted or unweighted ratings
 - By competency
 - By reviewer
- Competencies necessary for advancement

Giving feedback

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Feedback reports can be (or not be):

- Filtered or summarized by manager
- For an employee's file
- Shared with others
- Reviewed and approved by others
- Inclusive of tables or graphics

Giving feedback

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Feedback is least useful when it is:

- Inaccurate or untrue
- Biased due to favoritism or politics
- Insensitive and unduly critical
- Not specific or actionable
- Constituted by orders or ultimatums

Giving feedback

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Feedback is most useful when it is:

- Candid and honest
- Specific and actionable
- Based on more than one incident or example
- Based on more than one person's view
- Framed positively and constructively
- Behaviorally based rather than personality based
- Summarized and integrated into key themes

Giving feedback

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Feedback meetings can include:

- Discussion of
 - Strengths and development needs
 - Compensation
 - Team challenges and opportunities
- Development and career planning
- Goal setting for upcoming performance cycle
- Upward feedback

Following up

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Follow up for the individual can include:

- A written development plan with goals, timelines and responsibilities
- Progress reports
- Additional meetings with manager
- Training to build on strengths and address needs
- “Stretch” assignments or rotations
- Coaching
- Mentoring

Follow up

- Setting goals
- Developing criteria
- Creating metrics
- Participants
- Considering timing
- Organizing logistics
- Giving feedback
- Following up

Follow up for the organization:

- Use aggregated ratings for gap analysis and needs assessment
- Track performance appraisal statistics to measure the success of the management development system
- Train new hires and periodically retrain reviewers about how to evaluate reviewees and give useful feedback
- Periodically survey reviewees and reviewers about the costs and benefits of the system
- Ensure that the performance appraisal system is in alignment with evolving organizational and business goals

Conclusion

A well-designed performance appraisal system supports an integrated human resource strategy which enables the attainment of organizational and business goals

Ben Dattner, Ph.D.

ben@dattnerconsulting.com

212-501-8945

www.dattnerconsulting.com
