

# Performance Appraisal

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# Performance appraisal

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**Setting goals for the appraisal system**

**Developing criteria for successful performance**

**Creating metrics for evaluating performance**

**Selecting reviewees and reviewers**

**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

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## ➤ Setting goals

- Developing criteria
- Creating metrics
- Selecting reviewees and reviewers
- 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

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## ➤ Setting goals

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## 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

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- Setting goals
- **Developing criteria**
- Creating metrics
- Selecting reviewees and reviewers
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## Criteria should be:

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

# Developing criteria

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- Setting goals
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## Criteria can be based on:

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

# Creating metrics

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- Setting goals
- Developing criteria
- **Creating Metrics**
- Selecting reviewees and reviewers
- Considering timing
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## Ratings can be on the basis of:

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

# Creating metrics

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- Setting goals
- Developing criteria
- **Creating Metrics**
- Selecting reviewees and reviewers
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## Rating scales differ in terms of:

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

# Selecting reviewees and reviewers

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- Setting goals
- Developing criteria
- Creating metrics
- **Selecting reviewees and reviewers**
- Considering timing
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## Reviewees can be:

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

# Participants (Continued)

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- Setting goals
- Developing criteria
- Creating metrics
- **Selecting reviewees and reviewers**
- Considering timing
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- Follow up

## Reviewers can be designated by:

- Manager
- Human Resources
- Reviewee

# Participants (Continued)

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- Setting goals
- Developing criteria
- Creating metrics
- **Selecting reviewees and reviewers**
  - Considering timing
  - Organizing logistics
  - Giving feedback
  - Follow up

## Reviewers can include:

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

# Considering timing

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- Setting goals
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## Performance can be appraised:

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

# Organizing logistics

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- Setting goals
- Developing criteria
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- 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

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- Setting goals
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The process can be coordinated by:

- Employee
- Manager
- Human Resources
- An outside vendor

# Giving feedback

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- Setting goals
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- 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

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- Setting goals
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## 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

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- Setting goals
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## 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

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## 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

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## 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

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- Setting goals
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- **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

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- Setting goals
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- 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

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